

31 July 1983

VISIONS DIFFER

Aides Propound Scenarios for Central America

By Lou Cannon
Washington Post Staff Writer

As the Reagan administration struggles to defend its Central American policies to the country and the Congress, it finds itself far more united on supporting the government of El Salvador than on what to do about the leftist regime in Nicaragua.

Some officials lean toward destabilizing the Nicaraguan government and say that by the end of the year U.S.-backed guerrillas will develop the military capability to challenge and eventually overthrow the Sandinista regime. But others suggest that the United

States could accept a Yugoslav-style communist government in Nicaragua if that country stopped supporting Salvadoran guerrillas and did not serve as a Soviet or Cuban military base.

One high-ranking official said that it is "a shot in the rain barrel" to predict what the situation in Central America will be in six months.

But, he said, "there's a softening and a great nervousness in Nicaragua" and the "contras," the counter-revolutionaries, were rallying more troops to their side than they could arm or feed.

An army of 25,000 insurgents, about double the number now contemplated, could take over Nicaragua, he said. A force of that size could be organized, equipped and sustained over time, he added, because the Sandinistas "have a deteriorating economy and lack the support of the people."

Such a scenario presumes that Congress will not cut off funds for the CIA-supported covert operation in Nicaragua. Though the Senate is not expected to support Thursday's House vote for a cutoff of covert funds, House leaders believe that they may be able to block funds for fiscal 1984.

The expectation of an eventual victory for the rebels in Nicaragua is one of several conflicting outcomes visualized for Central America by high-ranking administration officials, most of whom talked on the condition that they not be quoted by name.

Several officials expressed the view that the United States would settle for a situation in which the Nicaraguans were frightened or pressured into withdrawing their support for leftist guerrillas in El Salvador.

"I would hope six months from now that El Salvador would no longer be facing an enemy that is trying to shoot its way into power," said Secretary of Defense Caspar W. Weinberger. "I hope that Nicaragua will have stopped trying to resupply a guerrilla force and export their distorted brand of revolution. Then Nicaragua can do what it likes."

Some officials conceded that the insurgent forces in Nicaragua will try to take advantage of the "military shield" created by U.S. forces during their six months of training exercises in neighboring Honduras and off the Atlantic and Pacific coasts of Central America. But they said the contras and the Reagan administration do not have identical aims.

"We have minimal and maximal goals in Nicaragua. And I truly believe that they are not identical with the contras," said U.N. Ambassador Jeane J. Kirkpatrick.

Reagan administration officials appear to be united on "minimal goals," primarily stopping Nicaragua from serving as a base or supply center for the leftist guerrillas in El Salvador. But the "maximal goals" provoke disagreement.

The stated goal of the Reagan administration, proclaimed many times by the president, is that Nicaragua return to the promises of the Sandinista revolution, grant essential freedoms to its citizens and carry out its pledge to hold free elections.

But some officials have said that the United States would settle for much less, such as a regime that followed the principles of "na-

tional communism" similar to that of Yugoslavia or the People's Republic of China and was not a Soviet or Cuban military base.

A source confirmed that a high-level U.S. official had explored this possibility with a high-level Cuban official at two meetings. The Cuban reportedly did not respond. But last week Fidel Castro proposed an agreement in which all parties involved in Central America would agree to end supplies of weapons and military advisers to the rival forces in El Salvador and Nicaragua.

Reagan said Friday that he is willing to give Castro the "benefit of the doubt in any negotiations."

The seriousness with which the president took the offer of a communist leader whom

he has frequently denounced raised speculation that the United States and Cuba may be seeking to reduce tension in Central America on the eve of the U.S. military maneuvers in the region.

Reinforcing this view, high-ranking officials said that they see no sign that Cuba is prepared to invest combat troops in Nicaragua, which Reagan has publicly described as the base of a Soviet-Cuban "a war machine."

Officials who agreed to discuss the activities of the U.S.-backed forces in Nicaragua only in the most general terms said that they do not anticipate that Cubans would enter the conflict in response to stepped-up activities by the contras.

On Thursday, CBS News reported that a number of senior CIA officers have objected

to the plan of CIA Director William J. Casey to expand contra activities against the Nicaraguan government.

The report was officially denied. But sources Friday confirmed part of it, which said that some CIA officials felt that the expanded covert operation was likely to provoke "a dangerous military response" and that Casey had no contingency plan to deal with Cuban intervention.

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Perspective

The shadow over Latin American policy

This story was reported by Storer Rowley, John Maclean and Raymond Coffey of the Chicago Tribune's Washington bureau. It was written by Coffey.

WASHINGTON—Moving a fleet of warships to Central American waters can be easier, President Reagan is discovering, than moving the American people away from their memories of Vietnam.

The President's policy on Central America is in trouble, and he knows it.

One clear sign of how deep that trouble is can be seen in the resurrection of former Sec. of State Henry Kissinger, not so long ago a symbol for Reagan of all that was wrong with American foreign policy but now returned to grace as the head of a presidential commission on Central America.

Despite an urgent and personal lobbying effort involving not only Reagan himself but Secretary of State George Shultz and National Security Adviser William Clark, the House on Thursday voted to cut off CIA operations in support of anti-government guerrillas in Nicaragua.

And only two days earlier Reagan himself acknowledged in a nationally televised press conference that the American people, so far at least, remain unpersuaded and sharply skeptical about his policy and his intentions.

Even some of the commander-in-chief's own military leaders have serious doubts—and, extraordinarily, have expressed them—about whether Reagan might be nudging the country toward a war the people will not support.

For now at least, only the White House top echelon and Reagan himself seem convinced that the administration is on the right course.

IN ORDERING A U.S. navy flotilla of about 20 ships to maneuvers in Central American seas and announcing plans for exercises by some 4,000 American troops in Honduras, Reagan and the White House were trying to show they mean business in resisting what they see as the spread of communist revolution in Central America.

The muscle-flexing was aimed at Nicaragua whose Sandinista revolutionary regime, in Reagan's view, is exporting revolution—and arms—to leftist guerrillas in El Salvador.

It was aimed, too, at Cuba and the Soviet Union which Reagan also sees as inspiring and supporting revolution in the region.

Administration officials insisted last week that they see signs already that Reagan's tough stance is producing results.

"I think we see some signs of change," one administration official said. He cited "some lessening" in the volume of military materiel flowing from Nicaragua to the rebels in El Salvador and "some indications" that Salvadoran government forces are currently "doing better in their war against" the rebels as a result of U.S. military training assistance.

The official also said "we have seen Nicaragua and Cuba make motions to move toward regional negotiations" with their neighbors instead of the one-on-one bargaining with individual countries, including the United States, that Nicaragua has heretofore insisted on.

THE OFFICIAL, who declined to be named, also mentioned that a Soviet cargo ship carrying helicopters and other military hardware had speeded up on its way to Nicaragua after Reagan identified it by name in his Tuesday night press conference.

The official was suggesting that this was somehow in response to Reagan's remark—that the President has gotten the attention of the Soviets.

Beyond the Reagan inner circle, however, all that sort of evidence is regarded by most informed observers here to be flimsy and dubious.

The arms flow to El Salvador has diminished, they say, not because of U.S. threats but because the leftist guerrillas have enough weapons, can capture more from the El Salvadoran army, and now need only ammunition and medical supplies from outside.

What does appear to be true, and to be said for the Reagan policy, is that it is indeed working in the sense that he has gotten Nicaragua and Cuba nervous if not downright scared.

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WASHINGTON POST
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'CONTRAS' LAG

Nicaraguan Rebels Opting for Direct U.S. Role

By Christopher Dickey
Washington Post Foreign Service

TEGUCIGALPA, Honduras, July 30—The U.S.-backed Nicaraguan "counterrevolutionaries" have fallen behind in their timetable for rapid victory over the leftist Sandinista government in Managua and increasingly talk of the need for radical changes in the war if they are to win.

Rebel leaders interviewed here speak of hopes for the start of a genuine popular insurrection against the Sandinistas, similar to the one that overthrew dictator Anastasio Somoza four years ago. But U.S. diplomats asked about

that possibility said they consider it highly unlikely.

Failing that, some leaders of the *contras*, as the insurgents are called, say they hope for direct U.S. intervention.

"It's the less cruel way, with less

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suffering," said Edgar Chamorro, one of the eight directors of the Nicaraguan Democratic Force.

Even without a direct invasion by U.S. troops, the anti-Sandinistas have shown increasing dependence on Washington, not only for covert funding but for diplomatic and political support vital to their cause.

With obvious hostility to their movement in Congress—as the House vote of 228-to-195 Thursday for a cutoff of covert assistance made clear—and facing the more powerful and disciplined military-political responses from Nicaragua, the insurgents say that time may be running out on them.

"This is not a heroic, prolonged, national liberation movement," said Chamorro, contrasting the war waged by his forces with the classic, long-term development of leftist insurgencies in the

"We work with timetables." Last spring, as the Democratic Force launched its first large-scale offensive in northern Nicaragua, there was talk of victory before the end of the year and of major strides by mid-summer.

But there have been no such gains. The forces have retreated to camps along the Honduran border, one of the largest of which is inside this country near the village of Las Trojes.

A second offensive, aimed at taking the town of Jalapa in the same region in June, is now described by *contra* leaders here as an aberration, the action of a single powerful commander known as "Suicide," acting on his own initiative.

"It was like a border war. Not good for us. Not good for Honduras. Not good for anyone," said Chamorro.

Meanwhile, efforts to establish active "task forces" of several hundred men deep inside Nicaragua have also failed, although leaders here say that many of their soldiers remain in place in regions such as Matagalpa.

Where it was once believed that the entry of former Sandinista commander Eden Pastora into the fray—operating independently in the south near Costa Rica—would be a significant factor, his forces have yet to prove themselves capable of operating outside a remote jungle. The support that Pastora ex-

pected from within the ranks of the Sandinista military does not appear to have materialized.

The Nicaraguan government says it has lost more than 600 people fighting the *contras*. The anti-Sandinistas place their own casualties at about 400, including both dead and wounded.

But the Sandinista forces arrayed against the insurgents outnumber them by at least 5 to 1 and have proved to be effective.

At the same time, the socialist indoctrination, militarization and regimentation that draws heated opposition from Washington and other countries in the region gives the Sandinistas a pervasive political presence and intelligence network throughout Nicaragua.

"The Sandinista infrastructure is not going to be penetrated," said a diplomat in Managua who is personally hostile to the rule there. "They're too capable. They've got everything and everyone infiltrated."

The diplomat repeated a common evaluation, that if the Sandinistas are able to finish out this year they will have so consolidated their strength that nothing short of full-scale war could pry them out of power.

"We need 500 noncommissioned officers we don't have. We need very good logistics and we don't have them. We need urban organizations we don't have," Chamorro said.

Many of these problems are blamed by the *contras* and their most enthusiastic

backers in Washington on insufficient funding. The Reagan administration has put more than \$90 million into their activities this year and CIA Director William Casey reportedly has asked Congress for \$30 million more to fund them in fiscal 1984, which begins Oct. 1.

"I think some people up around Reagan actually believe with enough pressures the *contras* can get the Sandinistas out," said the diplomat in Managua.

Emilio Echaverry, military chief of staff of the Nicaraguan Democratic Force, conceded that his troops—who are estimated to number from 4,500 to his own high figure of about 10,000—"find themselves at the moment in a certain static situation."

But the ex-major in the Nicaraguan National Guard argued that pressure from the United States and other countries is "closing the ring" on the Sandinistas, "tightening the political, diplomatic and economic circle."

"We conceived that by the end of the year we would either be on top of our objectives [the ouster of the Sandinista leadership] or at a distance where it is in sight," said Echaverry. "We believe that as things are developing, that time period will be complied with."

But Echaverry added, "We have to enter into a new phase"—something beyond what he called the "hybrid" mix of guerrilla and conventional tactics currently used for hit-and-run attacks.

30 July 1983

House sounds alarm on Nicaragua

From Christopher Thomas

After one of the most intense, emotional debates in Congress since the Vietnam war, the House of Representatives has sent a clear message of alarm to President Reagan over deepening United States involvement in Central America.

By 228 votes to 195 the House on Thursday night approved a 30-day cut-off of covert US aid to guerillas fighting the leftist Sandinista regime in Nicaragua, after which it would be for both houses of Congress to decide whether to resume support.

It was a symbolic vote. The Republican-controlled Senate can safely be expected to overturn the decision, and even if it did not President Reagan would use his veto.

Voting was largely along partisan lines and puts the Democratic majority firmly in opposition to Mr Reagan's strategy of intimidation of leftist regimes by shows of military might, and of support of their armed opponents.

The compulsion of many of the legislators, particularly on the Republican side, was apparent throughout the debate. While there was worry about the supposed build-up of Soviet and Cuban activity in Central America, there was equal concern about further entrenchment of US involvement.

The ghost of Vietnam haunted the chamber during the three days of exceptionally serious sombre and often angry debate.



Mr Casey: Plan opposed within CIA

The winning majority was made up of 210 Democrats and 18 Republicans. Mr Reagan's policy had the support of 145 Republicans and 50 Democrats.

The Administration insisted after the vote that its policy would continue, but the outcome will leave the President in no doubt that the nation is deeply divided.

Even in the upper echelons of the Central Intelligence Agency, which has been involved in secret anti-sandinista operations in Nicaragua for 19 months, there is supposedly intense conflict.

Some officers, according to *CBS News*, are hotly opposed to a plan by Mr William Casey, the CIA director to expand significantly the covert operations in Nicaragua.

WASHINGTON POST
 29 July 1983

House Votes To Cut Off Covert Aid

228-to-195 Tally Is Setback to Reagan Nicaragua Policy

By Don Oberdorfer
 Washington Post Staff Writer

The House, in a partisan rebuke to President Reagan's policies in Central America, voted last night to cut off further covert U.S. aid to rebels fighting the leftist Sandinista government in Nicaragua.

The 228-to-195 vote, which followed one of the most intense, emotional foreign policy debates in Congress since the end of the Vietnam war, was a political blow to the Reagan administration's 19-month-old "secret war" against the Sandinistas.

Split largely along party lines, the vote put the Democratic majority in the House—and, to a large extent, the Democratic Party—on the record in firm opposition to the president.

But it was highly uncertain whether the House action would lead to a cutoff of CIA support for the guerrillas challenging the Sandinistas.

The Republican-controlled Senate is considered unlikely to accept the House action. And if it were somehow approved by the Senate, Republican leaders predicted that it would be vetoed by Reagan.

Soon after the House vote late last night, Reagan administration officials said the government remains committed to continuing the covert operation in Nicaragua unless it is clearly forbidden to do so by Congress. They expressed confidence that the House action would be overturned in the Senate.

One official also confirmed that some CIA officials had objected to a plan by CIA Director William J. Casey to significantly expand the covert operation in Nicaragua and support as many as 15,000 anti-Sandinista guerrillas.

The official said these CIA officers had "gone along" with Casey on the formal recommendation while secretly warning some congressmen of opposition to the plan by those in the CIA who said they feared it could draw Cuban troops into the fighting in Nicaragua.

House members were told just before their final series of votes on the covert operation last night that CBS News had reported these "deep divisions within the CIA's clandestine operations directorate over plans to expand covert paramilitary

operations against Nicaragua." A White House official immediately called Casey to ask whether it was true, according to sources. Casey reportedly said that all the senior officials in the agency had signed off on the proposal to expand covert aid.

The legislation approved by the House last night would replace the covert support for the anti-Sandinista rebels with \$80 million of "overt" or open aid to friendly nations in Central America to help stop shipments of arms to leftist insurgents.

In order to protect U.S.-supported guerrillas already in the field, the cutoff of covert aid would take not effect until a secret date between now and Oct. 1, the end of this fiscal year. A ban on such aid is also contained in a secret intelligence authorization bill for the 1984 fiscal year pending before the House.

Reagan and senior administration officials were on the telephone last night in an unsuccessful attempt to swing the vote their way. Democratic leaders of the House, led by Speaker Thomas P. O'Neill Jr. (D-Mass.), made their own face-to-face appeals on the floor. O'Neill said shortly after the vote that it "responds to the will of the American people."

His winning majority was made up of 210 Democrats and 18 Republicans, while 145 Republicans and 50 Democrats voted with Reagan.

O'Neill and other Democrats had been saying for several days that a series of revelations about administration actions in Central America, including news of plans for exercises of U.S. naval, air and ground forces of unprecedented size near Nicaragua, had dramatically increased congressional

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CIA seeks more covert aid; House weighs cut-off

By ALFONSO CHARDY
Herald Washington Bureau

WASHINGTON — The Reagan Administration is seeking to increase covert CIA aid to rebels fighting Nicaragua's leftist government, even as the House debates a bill intended to cut off all funding for that purpose, congressional sources said Wednesday.

The sources said President Reagan will soon submit a report to the Senate Intelligence Committee seeking to justify the expansion of U.S. help for the anti-Sandinista rebels.

The same sources said CIA director William Casey told the Senate Appropriations Committee's defense subcommittee in a classified briefing Wednesday that the CIA will need more money — \$30 million in fiscal 1984 compared to this year's \$19.5 million — to finance the larger program.

The House failed to reach a vote Wednesday after 5½ hours of debate on amendments to a Democratic-sponsored bill that would end covert aid to the Nicaraguan rebels and authorize \$80 million in above-board funds to help friendly Central American governments halt arms smuggling to leftist insurgents.

Voting was scheduled today on rival

amendments to weaken or preserve the bill, as well as on the main legislation known as the Boland-Zablocki bill.

"This CIA-sponsored not-so-secret war against the government of Nicaragua is bad United States policy, it is illegal and it doesn't work and is counter-productive to United States interests," charged Rep. Edward Boland (D., Mass.), chairman of the House Intelligence Committee and co-author of the legislation with Rep. Clement Zablocki (D., Wis.), chairman of the House Foreign Affairs Committee.

Boland is also the author of the Boland Amendment, passed by the full House 411-0 last December, which prohibits the use of federal funds to overthrow the Sandinista government in Nicaragua.

Under the original guidelines governing the Nicaragua covert operation, the CIA was authorized to finance the anti-Sandinista guerrillas simply to intercept arms shipments from Nicaragua to the leftist guerrillas in El Salvador.

Rep. C.W. (Bill) Young (R., Fla.), another member of the intelligence panel, offered an amendment that would allow the covert aid to continue until the United States and its allies in Central America obtain agreement from the Nicaraguan gov-

ernment that it will stop aiding the leftist guerrillas in El Salvador.

"This covert operation is working," said Young. "Because of it, the Sandinistas now appear more willing to negotiate with the United States, and the leftist insurgency in El Salvador seems to be winding down considerably."

Rep. Michael Barnes (D., Md.) chairman of the House Western Hemisphere Affairs Subcommittee and a leading critic of Reagan's policies in Central America, offered a substitute amendment under which the end of aid would not be conditioned by any agreement with Nicaragua.

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CIA/NICARAGUA

RATHER: Congress is not the only group in Washington that is split over covert action against Nicaragua's Sandinista government so, apparently is the Central Intelligence Agency, the group that is in charge of this covert activity. Robert Schakne explains.

SCHAKNE: There are deep divisions within the CIA's clandestine operations directorate over plans to expand covert paramilitary operations against Nicaragua. Senior career officers are warning that the plans pose a major danger of escalating the conflict. According to very reliable sources, CIA director William Casey proposed expanding the covert operation over the objections of a number of his senior advisers. These CIA officials say that rather than pressuring the Santinistas into making concessions, Casey's expanded covert operation is just as likely to provoke a dangerous military response, including deployment of Cuban combat troops into Nicaragua. The protesting CIA officers complain that Casey has drawn up no contingency plans for such an eventuality. The CIA dissidents say that intelligence professionals are being asked to run an operation that is not working very effectively now and has a high probability of failure in the future. Robert Schakne, CBS News, Washington.



**Lars-Erik
Nelson**

The shunning of Shultz

WASHINGTON — They'll tell you at the White House that Secretary of State Shultz is still in charge of American foreign policy, but he doesn't have a lot to show for it.

On issue after issue, Shultz has been stripped of visible authority—to the point where today, in the words of a former assistant secretary of state, "He stands naked in his boots."

President Reagan's California team likes George Shultz because he isn't constantly struggling for turf like Alexander Haig, the man he replaced. Shultz is more relaxed, a solid, level-headed team player. But power in Washington belongs to those who are perceived to have it, and Reagan is letting the public's perception of Shultz grow exceedingly dim.

On arms control with the Soviet Union—the most critical foreign policy issue because it involves the physical survival of the country—Shultz has naively let his pockets be picked by right-wing hawks.

At the behest of the White House, he fired Walt Rostow as director of the Arms Control and Disarmament Agency. The explanation at the time was that Shultz himself would play a more central role in nuclear

strategy. He hasn't. Real bureaucratic power has remained with the Pentagon — and when it couldn't come up with a clear vision of what it wanted, President Reagan had to appoint a bipartisan commission headed by former National Security Adviser Brent Scowcroft. Shultz was a spectator.

In the Middle East, Shultz made two manful but abortive efforts. The first was to persuade President Reagan to make a speech last Sept. 1 outlining a new, realistic strategy for negotiations between Israel and its Arab neighbors. The initiative went nowhere, and Shultz let it die. The second effort was the troop withdrawal agreement Shultz negotiated between Israel and Lebanon last May. That, too, went nowhere.

Now Shultz' man on the scene, special envoy Philip Habib, has been replaced by the White House's Robert McFarlane. Theoretically, McFarlane reports to Shultz—but don't bet on it. McFarlane is the deputy to White House National Security Adviser William Clark, and when you have a direct line to the White House, you don't fool around with the State Department.

In Central America, Shultz has simply abdicated responsibility. Again at the behest of the White House, he fired another expert, Thomas Enders, as assistant secretary of state for inter-American affairs. Enders was too willing to contemplate a negotiated solution with leftists whom Reagan would prefer to squash. Now Henry Kissinger has been named to head a commission to work out a long-term U.S. strategy for Central America.

Meanwhile U.S. naval battle groups are gathering off the coast of

Nicaragua, CIA Director William Casey is running the world's most publicized covert operation along the Honduran-Nicaraguan border and United Nations Ambassador Jeane Kirkpatrick is justifying ever-increasing aid to right-wing Nicaraguan guerrillas.

"What has Shultz got left?" asks a former aide to Secretary of State Cyrus Vance. "He hasn't got the Soviet Union, he hasn't got China, he hasn't got the Middle East, he hasn't got Central America and he hasn't got arms control."

"On issue after issue, he has let himself be cut out of the action," says a Republican-Senate staffer. "I'm not even sure he's aware of it."

A FORMER undersecretary of state says that what is happening to Shultz is an inescapable fact of political and bureaucratic life. "When a President becomes personally involved and committed to a major foreign-policy problem under fire, he feels he has got to have the people immediately around him running the show," the ex-official said. "That cuts out the secretary of state—unless he has an unusually close relationship like Dulles and Eisenhower or Ford and Kissinger."

Reagan, according to an aide, was infuriated last week at a TV reporter's suggestion that Shultz has become a nonentity. "It's unfair to judge Shultz on his public personality," the aide said. "He doesn't like to be a high-profile guy. He's got the President's ear. He has helped us on a lot of issues relating to defense and the economy and, as far as we're concerned, he's going to stay around."

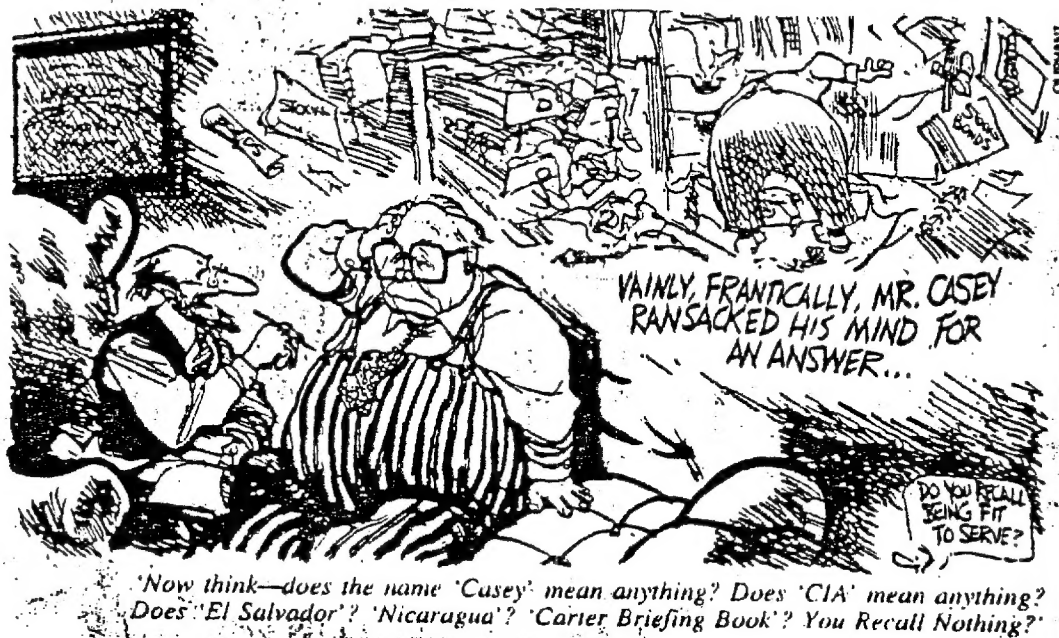
But will he matter?

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GUARDIAN (US)

27 July 1983



Many voices on Reagan's Central America policy

Minimum aim is to end Sandinista support for El Salvador guerrillas

By Daniel Southerland

Staff correspondent of The Christian Science Monitor

Washington

Anyone who is confused about the Reagan administration's Central America policy probably has a right to be. So are some administration officials.

One senior official remarked last week that you need a score card to keep track of the players. He was referring to the recent additions to the administration team of Henry A. Kissinger as Central America commission leader, Richard Stone as roving envoy, and Langhorne A. Motley as the new assistant secretary of state for inter-American affairs.

With the so-called secret war against Nicaragua continuing and possibly intensifying, CIA Director William J. Casey is apparently playing a more active role. So is William P. Clark, President Reagan's national-security adviser. It's widely acknowledged that through her trip to the region and her recommendations that more resources be devoted to the problem, United Nations Ambassador Jeane J. Kirkpatrick has had a major impact.

But ever since Thomas O. Enders was ousted nearly two months ago as assistant secretary of state for inter-American affairs, it's been more difficult to tell who's calling the shots in Central America policymaking. In addition, administration pronouncements seem to lack any clear sense of coordination. State Department officials are dismayed by statements coming from Defense Department officials who speak openly about trying to "intimidate" Nicaragua.

Leaks to the press from officials who are worried about the direction policymakers seem to be taking make it sound as though Reagan is a warmonger bent on crushing the Sandinista regime in Nicaragua at all costs. In the midst of the babel of voices, few people seem to pay much attention to what Reagan himself actually says.

Is the policy to overthrow the Sandinista regime? Probably not, at least at this stage. But it certainly could become that. As one official explains it, different officials have different agendas, or "end games." Some officials at the CIA, Defense Department, and the White House are said to harbor the hope, if not the explicit aim, of overthrowing the Sandinistas.

What one can safely say at this point is that the President's policy is designed to increase the pressure on the Sandinistas, in the hope that they will cut their support for guerrillas fighting the United States-backed regime in El Salvador. Attempting to put it in the simplest terms, one official says, "the policy is to push them to the negotiating table, to make them change." Another official says, "The strategy is to prevent the overthrow by Marxist guerrillas of another government in Central America."

If these explanations are correct, then the administration's decision to organize larger-than-usual military exercises off the coast of and in Central America can be explained as part "business as usual" and part psychological warfare. But some observers think that the policy goes further than this. They say the policy is belligerence toward the Sandinistas, and they base their view on a statement from the President himself.

When he was asked on July 21 if he thought there could be a satisfactory settlement if the Sandinistas remained in power in Nicaragua, Reagan said: "I think it would be extremely difficult, because I think they're being subverted, or they're being directed by outside forces."

Any policymaker reading that message from the boss might assume that a little escalation of pressure aimed at "destabilizing" the Sandinistas would be in order. But some officials caution that not too much should be read into the President's statement about the difficulty of reaching agreement with the Sandinistas. They say that a naval blockade, or quarantine, is a remote possibility indeed. At the same time, they say, a signal must be sent indicating that the US will not simply stand aside should the Soviets and Cubans increase their support for Nicaragua and the Salvadorean guerrillas.

State Department officials are concerned that officials in some other agencies want to precipitate a crisis, bringing a showdown with Nicaragua.

"Some of the macho types really want to rattle the cage, and see what birds fall out," said one official.

Langhorne Motley, the new assistant secretary of state, is described by his subordinates as highly intelligent. But no one, no matter how intelligent, is likely to come in at this stage and suddenly assert the kind of control that Thomas Enders had over the policy and its implementation. Meanwhile, though it may appear that the administration knows exactly where it is going in Central America, it may be working things out on more of a day-to-day basis than most people realize.

26 July 1983

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STAT

CIA's Latin buildup plan assailed

By David Rogers
Globe Staff

WASHINGTON - In their strongest language to date, House Democratic and Republican leaders sharply criticized plans within the Administration yesterday to escalate covert activity in Nicaragua, with minority leader Robert Michel saying he could not "conceive" of President Ronald Reagan approving the levels being proposed by the CIA.

"I can't conceive of us going to the lengths that have been reported," said the Illinois Republican. He said he told Reagan directly of his "dismay" at the reports at a small private White House luncheon.

"Whatever cause there is for some of these stories may well have been picked up

from some working papers," said Michel, but the GOP leader insisted that Reagan had neither made a decision nor even seen the new proposals.

"I just expounded my complete dismay at what I was reading. Judas Priest, we have not been talking about that kind of thing... I just can't imagine this is the route we're going.

"It's really gutting us and undercutting us," he said in reference to the impact on his own efforts to find some compromise to blunt a Democratic-sponsored resolution this week to terminate all aid. "The President assured me that I was not going to be left hanging out there... It's one thing to write a story based on option papers. It's another to be based on a decision."

More than a week ago, sources reported that the size of the anti-Sandinista insurgency was expected to grow to between

12,000 and 15,000, and the CIA is known to have discussed these figures with Intelligence Committee members. Whether a final decision has been made is disputed, but The New York Times published a report yesterday saying the White House had already given general approval to plans including stepped up aid to the guerrillas and a campaign of sabotage against Cuban installations in Nicaragua.

Michel's comments came as House Intelligence chairman Edward Boland (D-Mass.) said he would "absolutely" press for a final vote this week on the resolution to terminate aid.

Speaker Thomas P. O'Neill Jr. also condemned the latest steps by the Administration to escalate military pressure on Nicaragua. "I think it is awful. I think it is absolutely awful," said the liberal Democrat. "I think it is frightening to the American public and the people there [in Nicaragua]. It's an unneeded show of strength and an unneeded show of strength can cause terrible problems."

Both O'Neill and Boland have been consistently cautious about predicting passage of the resolution. But among Democrats, there appears to be increased unity behind the initiative which may gain strength from the concern now over the options being reviewed by

the President.

Rep. Dave McCurdy (D-Okla.), one of the most conservative Democrats on the House committee, said yesterday that he would now support Boland after talking with the Administration about a possible compromise. Majority leader Jim Wright (D-Texas) last week dismissed any prospect for a last minute agreement as remote.

"The President is a politician and he has political types working for him," said a Republican source close to the Senate Intelligence Committee, which has been watching the House fight from the sidelines. "I think the House may send him a message this week."

Though the CIA has yet to sub-

mit any new finding to support a major increase in the covert aid, the operation and its costs have grown steadily in recent months, and, according to critics, is virtually beyond the agency's control.

A Senate Intelligence Committee source said yesterday that before the end of this fiscal year Sept. 30, the annual cost of the operation was expected to be near \$40 million, and by the same calculations the cost for 1984 could be closer to \$50 million.

The Senate committee, while not directly challenging the Administration, has set aside less than half this total in a reserve fund in the 1984 authorization act. Release of these monies will be subject to approval of a new finding to be submitted by the Administration. This arrangement has received much less attention than the House bill, but it gives the committee an unprecedented veto over further covert activity.

Sen. Malcolm Wallop (R-Wyo.), chairman of the budget subcommittee, said he expected the authorizing bill to come to the floor Thursday. Sources said that CIA director William Casey met with Sen. Daniel Patrick Moynihan (D-N.Y.), the ranking Democrat on the committee, yesterday to discuss the Nicaragua issue.

Moynihan refused any comment later on the reported buildup. While a recent intelligence analysis has downplayed the threat of the insurgents to the Nicaraguan government, the size of the operation is still a major concern in Congress, and whatever the outcome in the House, a strong vote against the President could strengthen the Senate committee's resolve to curb further aid.

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ON PAGE B-3

WASHINGTON POST
20 July 1983

Personalities

By Chuck Conconi

AROUND TOWN:

Maybe it was significant. Just before noon Saturday the motorist saw the obvious police or Secret Service vehicle followed by a limousine in the Foxhall Road area. Pulling alongside at an intersection, the motorist peered into the back of the car to see if he could recognize the passenger. It was CIA Director William J. Casey deeply into The New York Times' stock market listings.



William Casey; by AP

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Around the Americas

House closes its doors for fight on CIA

By ALFONSO CHARDY
Herald Washington Bureau

WASHINGTON — The House will meet today in an unusual secret session to debate a controversial bill that would end CIA aid to anti-Sandinista rebels fighting the Nicaraguan government.

House Speaker Thomas

O'Neill (D., Mass.) has predicted a close vote, despite support from powerful congressional figures like himself and Majority



O'Neill

Leader James Wright (D., Tex.). The secret session is the third in four years, all dealing with Nicaragua. Today's coincides with the fourth anniversary of the Sandinista revolutionary triumph.

The first secret meeting was held in 1979 on a request by conservative Republicans to discuss information purportedly proving that the Sandinistas — then rebels fighting Nicaraguan President Anastasio Somoza — were receiving weapons from Cuba.

In 1980, conservatives again called a secret session in an unsuccessful bid to kill a \$75-million Carter Administration aid proposal for the Sandinista government.

Those secret meetings, however, were the first since 1830, when the House convened to hear a secret communication from President Andrew Jackson on a trade agreement with Great Britain. Secret meetings of the House had been more frequent until then.

Today's turnabout finds Democrats asking for a secret session as a means to persuade the House to halt

U.S. covert aid to the estimated 8,000 guerrillas fighting along the Honduran-Nicaraguan border.

The authors of the anti-covert aid bill — House Intelligence Committee Chairman Edward Boland (D., Mass.) and Foreign Affairs Committee Chairman Clement Zablocki (D., Wis.) — will brief their colleagues during the secret session. President Reagan and CIA Director William Casey oppose the bill.

The House also is expected to receive classified information on the status of the not-so-secret CIA program that began 21 months ago as an arms interdiction operation. Critics say that its goals gradually widened and that now the CIA may be seeking the military overthrow of the Sandinistas.

Liberal Democrats say they do not oppose arms interdiction but believe the CIA violates U.S. law in seeking to oust a foreign government.

The bill, while it would end aid to the anti-Sandinista guerrillas of the Nicaraguan Democratic Force, would create an \$80-million "overt" fund to help "friendly countries" in the region interdict Sandinista weapons shipments to El Salvador.

Reagan, Casey, Republican allies in Congress and some moderate Democrats, who fear that the President's policies in Central America will be undermined, have fashioned a complicated compromise.

The compromise forces, led in part by Florida Democrats Dante Fascell and Dan Mica, had attempted to modify the Boland-Zablocki bill. Now they are expected to bring up their compromise as an amendment.

The compromise would allow continued CIA funding for the rebels unless Nicaragua agrees to cease aiding the Salvadoran guerrillas.

The 2,000-word amendment contains many trigger mechanisms and caveats. Critics say it would allow the Reagan Administration to pursue the covert program indefinitely.

Under the plan, CIA funding for anti-Sandinista rebels could continue until Oct. 1, the beginning of the 1984 fiscal year. By then, Reagan would be required to submit to Congress a new plan to interdict arms moving from Nicaragua to El Salvador.

The Mica-Fascell plan also authorizes Reagan to open negotiations with Nicaragua — either directly or through other countries or international organizations — to reach an agreement that terminates Sandinista aid to the Salvadoran rebels.

Its crucial portion says the compromise will not take effect unless Nicaragua agrees to "cease all its activities involving the furnishing

of arms, personnel, training, command and control facilities, or logistical support for military or paramilitary operations in or against any country in Central America or the Caribbean."

Even if the Nicaraguan government agreed, covert action could still continue until the Sandinistas "reaffirmed the commitments made ... to the Organization of American States in July 1979." The stipulation refers to promises made by revolutionary leaders to call Nicaraguan elections "at the earliest possible date."

The compromise also states that covert activity need not end until the United States, the OAS and four key nations in the region — Colombia, Mexico, Panama and Venezuela — verify that Nicaragua is no longer aiding the Salvadoran rebels.

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BALTIMORE SUN
19 July 1983

House to discuss fact CIA has uncovered no illicit arms

Washington (AP) — The CIA's 18-month-old covert action to prevent arms from reaching leftist Salvadoran guerrillas has failed to capture a single weapons shipment, officials say. But its supporters contend the effort has succeeded anyway by disrupting supply lines.

The degree of success achieved by the Central Intelligence Agency's support for Nicaraguan counterrevolutionaries operating from Honduras is likely to be a central issue in a closed-door House debate today. The debate's focus will be a bill to end covert aid and to replace it with an \$80 million open fund to help governments friendly to the United States stop alleged leftist gun-running in the region.

In interviews with officials familiar with the covert action, opinions on its worth varied sharply.

"When we used to have our interdiction outside of Nicaragua, they [CIA officials] could show us what we were interdicting — and it made sense," said Senator David F. Durenberger (R, Minn.), a critic on the Senate Intelligence Committee. "They'd show you how they'd captured these trucks."

"Now that they're inside the place, they can't show you what they're interdicting because I don't think they're interdicting anything — maybe because they [the Nicaraguans] aren't shipping anything."

Several other officials said the CIA has been unable to present to congressional oversight committees evidence of any weapons shipment captured since the Nicaraguan covert action was authorized by President Reagan in December, 1981.

One official said that CIA director William J. Casey once told the House Intelligence Committee that the covert action had cut the weapons shipments by 60 percent, but Mr. Casey was quickly challenged on the claim.

Supporters of the covert action contend that deterring shipments — not capturing weapons — is the purpose of interdiction. They say the program has put pressure on the Sandinista

government to halt its alleged aid to Salvadoran guerrillas.

"It has given the Sandinistas some pause in what they're doing," said Representative G. William Whitehurst (R, Va.), a House Intelligence Committee member. "They're feeling heat. . . . Nicaragua should not be a privileged Marxist sanctuary."

"Those who try to quantify interdiction based on counting captured arms supply do not understand the term," wrote Representative C. W. Bill Young (R, Fla.). "What they are saying is like asking a man who takes his vitamins every day how many colds he prevented last year."

An administration official said covert action has forced Nicaraguans and Salvadoran rebels to abandon mountain routes through Honduras and shift instead to light airplanes, boats and more difficult land routes along the Honduran Pacific Coast.

"I don't think it entered anybody's mind when we embarked on our effort 18 months ago that we would capture weapons," he said. "The main point is that it brings pressure on the Sandinistas to cut it out."

He also said that weapons which had been destined for Salvadoran guerrillas now were needed by the Nicaraguan army to fight the growing army of CIA-backed "contras," or counterrevolutionaries.

In addition, he said new U.S. radar equipment, including AWACS radar-warning planes, has cut the use of light planes. According to the official, the Soviet Union has been notifying Nicaragua when U.S. radar is not in use in order to permit some flights.

He said that a team of Salvadoran guerrillas was intercepted this year in the Honduran lowlands near the Pacific Ocean, and according to the administration official, documents captured from them showed that infiltration routes had shifted away from the mountains where the contras are most active.

Despite the listing of arms interdiction as the initial purpose of the covert action, critics have suspected that another goal was to oust the Sandinista government, which came to power in 1979.

longtime dictator and U.S. ally, Gen. Anastasio Somoza Debayle.

That concern led Congress to pass the Boland Amendment, named for Representative Edward P. Boland (D, Mass.), House Intelligence Committee chairman, in December, 1982. It bars U.S. aid "for the purpose" of overthrowing the Sandinistas or provoking war between Nicaragua and Honduras.

President Reagan repeatedly has denied that the United States is trying to oust the Sandinistas, although he has referred to contras as "freedom fighters." Administration officials recently talked about pressuring the Sandinistas into holding elections and reducing what the U.S. administration called internal repression.

Some critics cite the dramatic growth of the contra army — from 500 to an estimated 10,000 men in 18 months — and public declarations by some of its leaders that they intend to overthrow the Sandinistas as evidence that the administration is violating the Boland Amendment.

ASSOCIATED PRESS
19 July 1983

WASHINGTON
BY ROBERT PARRY

STAT

WEAPONS ELUDE CIA, BUT BACKERS CLAIM SUCCESSFUL COVERT ACTION

Backers of CIA covert activity in Nicaragua say the effort has successfully disrupted weapons shipments to Salvadoran guerrillas, but other officials say the 18-month mission has failed because no weapons have been seized.

The covert action, authorized by President Reagan in December 1981, initially involved supporting a 500-man force of Nicaraguan exiles to "interdict" arms shipments from the leftist Nicaraguan government to the Salvadoran guerrillas.

Noting that the force has grown to an estimated 10,000 men, critics contend the CIA operation has gone way beyond its original goal and now appears aimed at ousting the Sandinista government in Managua. The critics also question the effort's success at halting the arms flow.

"When we used to have our interdiction outside of Nicaragua, they (CIA officials) could show us what we were interdicting _ and it made sense," said Sen. David Durenberger, R-Minn., a critic on the Senate Intelligence Committee. "They'd show you how they'd captured these trucks.

"Now that they're inside the place, they can't show you what they're interdicting because I don't think they're interdicting anything _ maybe because they (the Nicaraguans) aren't shipping anything."

Several other officials, who spoke on condition they not be identified, said the CIA has been unable to present to congressional oversight committees evidence that the covert action has captured any weapon shipments.

One said that CIA director William J. Casey once told the House Intelligence Committee that the covert action had cut the weapons shipments by 60 percent, but he was immediately challenged to prove that claim and was unable to present hard evidence.

The House is considering a bill to cut off covert aid to the Nicaraguan exiles and replace it with an \$80 million open fund to help friendly governments stop leftist gun-running in the region.

CONTINUED

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Washington Whispers

Reagan's every move in the case is being scrutinized to see which White House faction he favors. One big question: Why did the President personally approve CIA Chief William Casey's public denial of James Baker's statement that Casey had given the White House chief of staff the Carter campaign documents?

★ ★ ★

CIA Director Casey may be drawing flak for his role in the briefing-papers case, but old hands at the intelligence agency say his stock there is high—particularly for allaying fears he might “politicize” the CIA and for assigning respected professionals to key jobs.

ASSOCIATED PRESS

18 July 1983

WASHINGTON
NICARAGUAN CIVILIAN DEATHS WORRY CONGRESS
BY ROBERT PARRY

STAT

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Amid reports of mounting Nicaraguan civilian casualties, congressional intelligence committee members are pressing the CIA to stop U.S.-backed counter-revolutionaries from firing on non-combatants.

The warnings came from members of both the House and Senate intelligence committees largely in response to news reports about attacks on Nicaraguan farm cooperatives and other economic targets that have led to civilian deaths, according to several members.

"We don't want (CIA-supported rebels) down there burning cotton fields and killing civilians," Rep. Dave McCurdy, D-Okla., a House Intelligence Committee member, said in a recent interview. "That's not something we want to be involved with."

Officials knowledgeable about the committee protests said the CIA has denied that U.S.-supported "contras" or counter-revolutionaries are responsible for the attacks despite reports from eyewitnesses to the contrary.

Congressional sources, who spoke only on condition they not be identified, said the CIA claims to keep firm control over and maintain close communication with the contras operating out of Honduras.

CIA spokesman Chuck Wilson refused comment.

Sources said House Intelligence Committee members expressed concern about attacks on civilians to CIA director William J. Casey in secret meetings in the weeks before the Democratic-dominated House committee voted on May 3 to cut off the covert aid going to the Nicaraguan counter-revolutionaries.

That bill, which would replace the covert aid with an \$80 million open fund to help friendly nations stop leftist gun-running, is scheduled for House debate Tuesday.

Although the strongest objections have come from the House panel, some individual Senate Intelligence Committee members also have voiced concerns about civilian casualties blamed on the contras, sources said.

But one well-placed Senate source said most members of the Republican-controlled committee believed that, despite some civilian deaths, the CIA has maintained "remarkable control over this sort of thing" and held such violence to a minimum.

Other congressional officials are skeptical of CIA denials.

"Are they suggesting that there's some other force that we don't know about operating down there?" remarked one official.

CONTINUED

17 July 1983

STAT

STAT

CIA plan revealed: Mine 3 Nicaragua harbors to halt the flow of arms

By John P. Wallach
Examiner Washington Bureau

WASHINGTON — The CIA reportedly asked for detailed maps of three Nicaraguan ports as part of a covert plan to mine the harbors and intercept Soviet and Cuban weapons and supplies.

The agency may have planned to give the mines to anti-Sandinista rebels who intended to sabotage one of the ports in May when four Soviet ships were docked there.

A senior administration official said the maps, which included detailed information on "depths and channels," were urgently requested from the Defense Mapping Agency in early March.

Several sources said the rebels had planned the sabotage operation for mid-May but at the last minute the United States refused to provide the mines.

Intelligence sources and Pentagon, State Department and White House officials corroborated the account.

The sources disagreed over how far the planning had gone.

But they said there was little doubt that the CIA, prohibited by law from doing anything directly to overthrow the Sandinista regime, is broadly interpreting the law. The law permits covert acts aimed at interdicting arms shipped from Nicaragua to leftist rebels in El Salvador.

There also is strong evidence that the CIA, possibly with the help of the Army's ultra-secret Intelligence Support Activity (ISA), has far more plans than previously disclosed to support the rapidly growing "secret army" of 12,000 to 15,000 anti-Sandinista rebels in Nicaragua and neighboring Honduras.

A Pentagon source said that in late February and again in March, a CIA-Defense Department team asked for urgent delivery of the maps for Bluefields, Puerto Cabezas and Corinto, the three ports where Soviet ships regularly unloaded military supplies.

"I didn't know whether they needed them for contingency plans to land (rebel) troops or whether they intended to mine the harbors to keep Soviet and Cuban ships

out," the official said.

The Soviets, according to U.S. officials, have stepped up delivery of armored personnel carriers, multiple rocket launchers, anti-tank guns, East German trucks and field kitchens. The officials said the arms supplies are coming in at about 20,000 tons a year, or double the rate of 1981 and 1982.

A State Department official said the CIA had been approached by one arm of the "Contras," or Nicaraguan counterrevolutionaries based in Honduras and Costa Rica, to obtain underwater explosives to mine one of the harbors.

According to this official, the CIA operation was called off when a Pentagon employee tipped Rep. Clarence Long, D-Md., of the plan. Long is a strong opponent of administration policy in Central America.

Long reportedly conferred with CIA Director William Casey, warning that such a plan would violate the law and jeopardize the CIA's hopes to avoid a showdown with Congress over cutting off all money for covert activities in this hemisphere.

Long, chairman of the foreign operations subcommittee of the House Appropriations Committee, refused direct comment.

A Honduran who told the New York Times in April that he was

involved in planning covert U.S. activities disclosed that the United States was providing underwater equipment and explosives to Argentine-trained sabotage teams that had infiltrated Nicaragua early this year.

The teams reportedly have had limited success in blowing up facilities in Puerto Cabezas. As a prelude to seizing the port, the Honduran defector reported, a team of Miskito Indians trained as frogmen had sabotaged some harbor installations in January.

The Honduran also disclosed that the Miskitos, who have turned strongly anti-Sandinista and claim that the Nicaraguan government has tried to exterminate them, were trained in underwater demolition at Vivorillo Island off the east coast of Honduras.

He said the Miskitos had been trained by the Argentines and the equipment and explosives used for the sabotage operation were supplied by the United States. The CIA and the Pentagon refused comment on the alleged operation.

U.S. officials disclosed in recent interviews that contrary to reports at the time, Argentina, after it invaded the Falkland Islands, did not withdraw many of its military advisers from Honduras, where it was training insurgents in guerrilla warfare.

The House Intelligence Committee said in May:

"There has been a hidden pro-

ECONOMIST

16 July 1983

26 Front-line on the defensive

South Africa's policy towards its northern neighbours seems governed not by consistency but by some arcane Afrikaner intuition. From time to time, an incipient black nation needs to be taught a lesson to emphasise who is regional boss. Like Barend van der Merwe's slaves in André Brink's "Chain of Voices": "if they are new, all the more reason to break them in harshly so they would be sure who has the last word on the farm." They must be

flogged, even if they have done nothing wrong. It is best in the long run.

Brink's slaves found peace of mind only in contemplating their past and in collaborating with their masters. When they sought help from the British it led to delusion, rebellion and death. The black states of southern Africa have struggled for the past two decades to free themselves of white supremacy. They have long assumed—and been assured by western liberalism—that the steamroller of black rule would continue south, powered by the fuel of historical necessity. When the steamroller appeared to break down at the Limpopo, they thought they had only to wait. The western block, or the east, or the ANC, or someone, would soon repair it. To their horror, in the past two years it has begun to move backwards.

The front-line states' defence against this South African threat is meagre. In the early 1970s they formed a comparatively stable regional group. This was largely due to the dominance of the post-colonial leaders of Zambia and Tanzania, Mr Kenneth Kaunda and Mr Julius Nyerere, and a sense of brotherhood against the common enemy, Mr Smith. Mr Mugabe's assumption of power, his antagonism towards President Kaunda and his alliance with President Machel, have endangered that stability, though drought, world recession and structural economic collapse in Zambia and Tanzania have also played their part.

In 1980, the nine black states of the region formed a new economic association under the Southern African Development Co-ordination Conference (SADCC). Its ambition was to seek greater independence from South Africa and collaborate over major aid projects, notably in the areas of energy and communications. SADCC set itself a modest target of some \$800m in project aid. Western agencies have been impressed by the caution—and lack of bureaucracy—with which it has gone about its business. Yet it is severely hampered by its members' reputation for squandering aid resources, by the natural protectionism of its national economies and by the way so many of its commercial channels lead to or through South Africa.

South Africa's regional dominance is as complete economically as it is militarily. It produces 77% of the total gnp of the subcontinent (south of Zaire-Tanzania), with at least three quarters of the output of coal, iron, wheat, maize, electrical power and rail transport. About 90% of the region's energy consumption is within the SACU area (South Africa plus BLS). South Africa's national product per head, \$2,200, is three times the regional average. Even South Africa's blacks have a

per head income two and a half times that of Zimbabwe's.

The trade of all the SADCC states depends heavily on South Africa (25% for Zimbabwe, 37% for Mozambique). Yet South Africa has no such reciprocal dependence. Its trade profile is widely diversified, exporting less to the whole of Africa than it does to Switzerland or Britain (see chart) and importing from Africa an insignificant amount. (Unofficial trade through middlemen may alter this somewhat.) Some SADCC donors have tried to make aid conditional on there being no South African involvement in subcontracts. The result is merely to distort the end value.

Everything from project management to heavy equipment naturally comes cheapest and, above all, quickest from South Africa. Contractors operating under embargoes must pay up to 150% in commissions to middlemen in non-embargo nations (such as Swaziland) to obtain necessary materials. With rising world freight rates, such politically restricted aid is ever more burdensome. The dream of an anti-South African regional economic community is utterly unrealistic (and, as a matter of fact, SADCC knows it). The prosperity of the whole subcontinent is indivisible.

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ON PAGE A-24

WASHINGTON POST
15 July 1983

"FOR NOW, WE BEEF UP THE SECRET ARMY IN
NICARAGUA — BUT LATER WE MOVE ON
TO THIS GREAT SECRET LANDING PLACE"



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LOS ANGELES TIMES
15 July 1983

CIA Expanding Rebel Support in Nicaragua

By ELLEN HUME,
Times Staff Writer

WASHINGTON—The Reagan Administration is significantly expanding its covert support for rebel forces in Nicaragua as the House prepares for a secret session next week on a proposal to cut off all such U.S. aid, government sources said Thursday.

One well-placed official, who asked not to be identified, said in an interview Thursday that the Administration effort involves "open-ended" plans to train and finance 15,000 or more counterrevolutionary guerrillas.

Another official, Rep. Bill Alexander (D-Ark.), fourth-ranking Democrat in the House, told reporters that he believes the Administration is "currently implementing a plan to escalate military activities in Nicaragua, and to increase paramilitary activities throughout Central America."

Alexander, a member of the House Appropriations Committee who has conferred with CIA Director William J. Casey on the covert program, said reports published in the Washington Post on Thursday are "substantially accurate, based on information I have." The reports said that the United States is stepping up its covert aid with the aim of supporting 12,000 to 15,000 guerrillas opposed to the leftist Sandinista government in Nicaragua. Alexander said that the United States already is supporting "an army of over 10,000" and the numbers are "escalating and escalating rapidly."

'About Half,' Michel Says

House Minority Leader Robert H. Michel (R-Ill.) said after a White House meeting Thursday, however, that the figures are "about half" what the Post article estimated. The White House and State Department refused to comment.

Reagan Administration officials have not disputed previous reports that the U.S. covert aid is financing 5,000 to 7,000 rebels and have said that the aid is aimed at stopping the export of arms from the Sandinistas to antigovernment rebels in other Central American nations. The Nicaraguan rebels, however, have stated publicly that their aim is overthrowing the Sandinista government.

House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) predicted Thursday that the vote on the proposal to cut off covert aid to the rebels, expected in about two weeks, would be "very close."

Majority Leader Jim Wright (D-Tex.) said he is continuing to work with the White House on a compromise that would be short of a complete cutoff of aid to the rebels. He told reporters, however, that he would not offer any proposal that was "anathema" to House Intelligence Committee Chairman Edward P. Boland (D-Mass.) or to Foreign Affairs Committee Chairman Clement J. Zablocki (D-Wis.), chief sponsors of the cutoff bill.

The Boland-Zablocki bill, which has been approved by the House Intelligence and Foreign Affairs committees, would end the covert program and instead provide \$80 million in open aid to Central American nations seeking to stop arms shipments from Nicaragua.

The House agreed Thursday by voice vote to schedule a secret four-hour session next Tuesday so Boland can brief all House members on classified information about Central America.

After that session, supporters of the amendment will take a preliminary

nary head count to see whether they want to bring the measure to the floor the next week, House leadership sources said.

In December, Congress banned aid to paramilitary forces whose purpose is overthrowing the government of Nicaragua. Boland and others have since asserted that the Reagan Administration is violating that law.

President Reagan has called the U.S.-backed counterrevolutionaries "freedom fighters" seeking to stop the Nicaraguan government from exporting Marxist-style revolution throughout Central America. Critics have said that the counterrevolutionaries, *contras* as they are called in Nicaragua, have little popular support, particularly because their leaders include former members of the late Nicaraguan dictator Anastasio Somoza's repressive National Guard.

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ON PAGE 14

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15 July 1983

For Secretary Shultz — a rugged first-year odyssey

By Daniel Southerland
Staff correspondent of
The Christian Science Monitor

Washington

When he stepped off his blue and white Air Force jet at 2:10 a.m. last Friday, a weary George Shultz did not have much time to reflect on the morning's headlines:

Shultz Leaves Mideast
Without Progress on Pullout

Shultz Ends Trip to Mideast
With No Pullout Accord

The secretary of state had just completed a 15-day, 25,000-mile trip through 10 countries. He had spent a total of 52 hours in the air.

Before arriving at Andrews Air Force Base outside Washington, Mr. Shultz had in one day alone met in Jerusalem with Israel's Prime Minister Menachem Begin, in Amman with Jordan's King Hussein, and in Cairo with Egypt's President Hosni Mubarak.

Shultz reached his brick home in suburban Maryland at about 2:45 a.m. (customs officials had delayed all the passengers, including the secretary of state), got to bed at 3:30, rose at 6, and was back at the State Department at exactly 7:50 a.m. for a day which included:

Briefings for Shultz on developments around the world, a progress report to the secretary on the East-West conference in Madrid, decisions on personnel matters and appointments, staff meetings on Central America and the Middle East, a National Security Council meeting on Central America, lunch with CIA director William J. Casey, and a Shultz briefing on the Middle East for President Reagan.

Unlike his predecessor, Alexander M. Haig Jr., Shultz doesn't worry too much about the daily headlines. If he did, he might not enjoy the few hours of sleep he has been getting these days.

Unfortunately for Secretary Shultz, what he has achieved after one year in office cannot be easily summed up in headlines. If one

tried to describe his accomplishments so succinctly, it would make dull reading indeed:

Shultz Defuses Pipeline Crisis

Shultz Helps to Restore
NATO Alliance Unity

Shultz Brings Balance
to East Asia Policy

Shultz Returns Mideast Policy
to Traditional Mainstream

"He's not a specialist in the spectacular," says Shultz's executive assistant, Raymond G. H. Seitz. "But the Asia part of his last trip was a very good example of solid, traditional diplomacy. . . . What Shultz has brought to the scene — this almost stolid person — is a sense of weight and stability."

When Shultz took office a year ago, in July of 1982, Reagan administration foreign policy looked anything but stable. The United States was fighting with its NATO allies over their assistance to the Soviet Union for the building of a gas pipeline to Western Europe. General Haig's battles with the White House staff over this and other issues had received wide publicity. Middle East policy was adrift.

In his first months as secretary of state, Shultz played a key role in shaping a new Middle East policy, which restored negotiating momentum and gathered wide support both here and abroad. While not alienating the Israelis — some feared that he would prove to be anti-Israel — Shultz showed sensitivity toward the plight of the Palestinians. The policy which he and his advisers devised brought the Reagan administration back into line with basic principles embraced by previous administrations, both Democratic and Republican.

By gaining agreement from the West European allies to study restrictions on subsidized credits and technology transfers to the East-bloc countries, Shultz got President Reagan to drop his sanctions against European companies. He thus defused a crisis which was threatening the unity of the Western alliance. Shultz next managed to prevent what could have turned into a trade war with the Europeans.

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EXCERPTED

U.S. Policy Toward Latins: Lines of Control Are Blurred

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, July 14 — For a month the State Department has been struggling to regain control of Administration policy toward Central America, but White House involvement remains strong and many officials say the lines of authority are so diffuse and collegial that it is hard to pinpoint precisely who runs policy.

Earlier this year Thomas O. Enders, former Assistant Secretary of State for Latin American Affairs, was the most visible policy-maker. But when the White House became engaged last spring in battling Congress for more aid to El Salvador and fighting to protect covert support to Nicaraguan rebels, policy initiative and operational control increasingly passed to the National Security Council staff, the President's political strategists and to the Defense Department.

Ultimately William P. Clark, the President's national security adviser, became a pre-eminent force and pushed Mr. Enders out in late May, according to several officials. Secretary of State George P. Shultz went to President Reagan seeking authority to have his department reassert its traditional management of day-to-day operations.

Lately Mr. Shultz has been more active himself, meeting daily for half an hour with Deputy Secretary Kenneth W. Dam and Langhorne A. Motley, the former Ambassador to Brazil who was sworn in Wednesday as the new Assistant Secretary for Latin American Affairs. And Mr. Dam has taken a lead in important negotiations with Congress on Central American policy.

Casey Backs C.I.A. Operations

But William J. Casey, the Director of Central Intelligence, has strongly advocated pressing ahead with C.I.A. support of covert operations in Nicaragua and the Defense Department's role has expanded with the start early this month of a new 126-man American military training group for Salvadoran Army units in Honduras.

"This is an action-oriented Administration which so far has put a low premium on diplomacy and that means action agencies like the Pentagon and C.I.A. wind up making a lot of policy," said an aide close to the House Democratic leadership.

Moreover, as Congress worries

about the course of civil war in El Salvador and debates the risks of American covert support to the Nicaraguan rebels, Congressional committees have shown an increasing hand in shaping the limits of policy and imposing policy demands in areas such as human rights and new diplomatic missions, much as Congress imposed restrictions in the final phases of the Vietnam War.

Symptomatic of rising Congressional influence is the growing consensus in Congress and acquiescence within the Administration for establishing a national all-party commission to frame a broad, long-term economic aid program and policy for Central America.

Its principal sponsors, Senator Henry M. Jackson, a Washington Democrat, and Senator Charles McC. Mathias Jr., a Maryland Republican, assert it could help develop the kind of legislative and popular consensus behind a sustained American policy that Administration officials concede President Reagan has not yet been able to develop.

Senior White House officials agree with that reasoning, recalling how similar commissions helped the Administration reshape its policy and strike vital legislative compromises on revising the Social Security system and linking production of the MX missile to changes in the Administration's arms control proposals.

Similarly, James A. Baker 3d, the White House chief of staff, and the legislative strategy group of which he is chairman, took the lead in exploring whether enough influential Democrats would join in an effort to defeat a move in the House of Representatives to cut off covert aid to Nicaraguan rebels.

White House officials assert that Mr. Casey opposed that effort on the ground that even if the House imposed a ban, it would be defeated in the Senate. But Mr. Baker, evidently joined by Mr. Clark, persuaded President Reagan that his policies needed more overall support in Congress and some good faith efforts were required.

It is typical of the current collegial system, officials said, that responsibility for negotiations with Congress is shared by Mr. Dam and Mr. Clark's deputy on the National Security Council staff, Robert C. MacFarlane. Sometimes they are joined by Mr. Casey or Mr. Baker.

Reagan Aides Seek Compromise on Nicaragua

By CHARLES MOHR

Special to The New York Times

WASHINGTON, July 13 — Senior Reagan Administration officials and leading House experts on foreign policy and intelligence met today in an effort to find a compromise on the issue of United States-sponsored covert military operations in Nicaragua, but some participants said little progress had been made.

The Administration officials have been trying for several days to find a compromise that would avoid a vote, scheduled for later this month, on a bill that would cut off \$80 million in covert

action funds going to Nicaraguan exile guerrillas fighting against the Sandinista Government in Nicaragua.

The House Democratic leader, Jim Wright of Texas, called today's unpublicized meeting in a House hearing room. Attending were William J. Casey, the Director of Central Intelligence; Kenneth W. Dam, the Deputy Secretary of State, and Robert C. McFarlane, the deputy national security adviser.

One participant, who asked not to be identified, said Mr. Wright had put forward a draft of a proposal in which covert activity directed against Nicaragua would be prohibited with the following

condition: the prohibition would not go into effect until Nicaragua made a commitment to abide by previous pledges not to export arms and assistance to revolutionary movements elsewhere in Central America and to abide by its promise to the Organization of American States to protect civil liberties in Nicaragua and to hold free elections.

Representative Michael D. Barnes, Democrat of Maryland and chairman of the Latin American Affairs subcommittee of the House Foreign Affairs Committee, said during one break in the meeting that "not much progress" had been achieved.

WASHINGTON POST
14 July 1985

CIA Planning to Back More Nicaragua Rebels

By Don Oberdorfer
Washington Post Staff Writer

The CIA is planning to support a rapidly growing "secret army" of 12,000 to 15,000 anti-government rebels in Nicaragua, roughly double the number backed by the United States two months ago, official sources said yesterday.

The sharp increase in planned U.S. support comes as the House of Representatives moves toward a legislative showdown, probably next week, on continuing undercover activity in Nicaragua.

The House intelligence and Foreign Affairs committees have approved a bill sponsored by their chairmen, Edward P. Boland (D-Mass.) and Clement J. Zablocki (D-Wis.), respectively. It would terminate secret U.S. aid to the insurgents

and authorize an open \$80 million program to stop leftist gun-running in Central America.

A secret House session to discuss the proposed cutoff, opposed by the Reagan administration and most House Republicans, is scheduled Tuesday with an open vote to follow. House Democrats have scheduled a closed caucus today to discuss this and other politically sensitive issues regarding Central America.

The mushrooming growth of the U.S.-supported insurgency against Nicaragua's leftist Sandinista government has generated much of the controversy and, in some quarters, consternation on Capitol Hill.

In early May, the CIA told congressional oversight committees that the U.S.-supported rebel forces had swelled to 7,000 men. By early June,

the official estimate had climbed to 8,000, and last week the State Department officially estimated the force at 8,000 to 10,000.

In recent days, according to the sources, the CIA has drawn up a plan to support a force of 12,000 to 15,000 with money and materiel and is seeking presidential authorization for such expanded activity. A CIA spokesman declined to comment on the matter yesterday.

A U.S.-supported force of 12,000 anti-leftist guerrillas in Nicaragua would be at least twice the reported size of the leftist guerrilla force opposing the government of El Salvador. The State Department estimates that 4,000 to 6,000 leftist rebels, aided by Cuba and Nicaragua,

are operating in El Salvador against the U.S.-supported government.

During most of the early buildup, the principal U.S. justification for supporting anti-Nicaraguan insurgency was that it could reduce or end Nicaraguan military assistance to Salvadoran guerrillas. However, this justification has been receding as the U.S.-supported "secret army" has grown larger than the Salvadoran insurgency.

According to one account, a new presidential "finding," or secret intelligence authorization, being prepared by the CIA no longer lists interdiction of arms as one purpose of the undercover war in Nicaragua.

Instead, this account said, the stated purpose is to force changes in Nicaraguan government policies, including those of aiding leftist guerrilla forces elsewhere in Central America.

Last December Congress passed an unusual law, known as the Boland amendment, banning U.S.

aid to paramilitary forces "for the purpose of overthrowing the government of Nicaragua or provoking a military exchange between Nicaragua and Honduras."

The administration has denied its purpose is to overthrow the Nicaraguan government, although leaders of rebel forces supported by the United States there have said they are trying to topple the government. That has prompted some members of Congress to charge the Boland amendment is being violated.

In initiating the secret effort in December, 1981, the CIA told congressional committees it was building a highly trained commando force of 500 Latins to attack the Cuban support structure in Nicaragua. Some lawmakers immediately expressed concern, and it was revealed later that Boland addressed a confidential letter to CIA Director William J. Casey about Hill disquiet.

According to official estimates, most of the U.S.-backed Nicaraguan guerrillas are in a group near the

Honduran border. They are composed of separate groups of Miskito Indians and exile-led insurgents known as the Nicaraguan Democratic Force. About 1,200 guerrillas are reported near the Costa Rican border and commanded by Nicaraguan exile leader Eden Pastora. Despite reports to the contrary, Pastora is fighting against Nicaraguan forces and receiving U.S. support, the sources said.

Compromise near on covert aid

By Thomas D. Brandt
WASHINGTON TIMES STAFF

The White House and several House leaders of both parties are near agreement on a compromise approach to a controversial bill that seeks to cut off covert aid to insurgents fighting the leftist Nicaraguan Sandinista government. The Washington Times has learned.

Under the plan, the United States would immediately stop covert military and paramilitary aid to Nicaraguan rebels when the Sandinista government agrees to stop similar aid to leftist guerrillas in El Salvador.

The plan calls for the other countries in Central America to similarly agree not to aid insurgencies in neighboring nations. The United States would continue aiding the government of El Salvador.

There is no indication whether Nicaragua or the other countries would accept the plan if passed by Congress. One source said that special envoy Richard Stone, who has been traveling in Central America to seek a peaceful solution to the warfare there, has not been involved in the current plan.

The tentative agreement, based on a so-called "symmetry concept," was hammered out in a series of at least six meetings over the last several weeks.

Among those involved in the meetings, which have been held in the White House and the latest, yesterday, in the Capitol, are White House Chief of Staff James Baker; CIA Director William Casey; House Foreign Affairs Committee Chairman Clement Zablocki, D-Wis.; House Majority Leader James Wright, D-Texas; plus Rep. William Broomfield, R-Mich., and Rep. Dante Fascell, D-Fla., who are both senior members of the committee.

Also meeting with the group has been Rep. Bill Young, R-Fla., of the

Intelligence Committee. Young offered a similar symmetry proposal in April, but it was rejected.

Several people who attended or who have been briefed on the sessions gave differing assessments of how close the group is to a final agreement, though all were in agreement in outlining the proposal that is the result of their weeks of work.

One member of Congress said he believed that those listed above all "agree to the concept" while a highly placed staff aide said it was "highly premature" to say a final agreement had been reached.

Three new members joined the group yesterday, apparently in an effort to build a compromise with House Democrats who have been most opposed to U.S. policy in Central America.

The three were described as having made "positive contributions" to the work, but were not seen as ready to support the overall plan. They are Rep. Michael Barnes, D-Md., chairman of the Western Hemisphere subcommittee; Rep. William Alexander, D-Ark., part of the Democratic leadership; and Rep. Wyche Fowler, D-Ga., of the Intelligence Committee.

The planning group's concept is expected to be offered as an amendment next week on the House floor to a bill that would cut off covert funds to Nicaragua and replace it with an open aid program of aid to Central American governments to block the cross-border flow of arms to leftist guerrillas.

A less controversial part of the package includes support for a bipartisan commission to study Central American problems and make U.S. policy recommendations.

The Reagan administration used "bipartisan commissions" to achieve a consensus on two earlier

initiatives that were also extremely controversial — a legislative plan to return the Social Security system to solvency, and funding to continue development of the MX missile.

The covert action bill that will be the vehicle for the compromise passed the House Foreign Relations Committee last month by a near party-line vote of 20-14, following what several members said was the most acrimonious debate they had seen in Congress. The bill had started in the Intelligence Committee under Rep. Edward Boland, D-Mass.

The bill will be considered under a highly unusual procedure that calls for four hours of debate in secret session, two hours in open session and 12 hours for amendments.

Many of the same negotiators tried to reach a compromise before the Foreign Relations Committee vote on June 7 but failed. One congressman working in the group said that a compromise can be reached now because Congress has learned a great deal more about Central America since then.

The bill is the result of congressional response to word that the Reagan administration was covertly aiding a guerrilla army of roughly 7,000 opposed to the Sandinistas.

ASSOCIATED PRESS
13 July 1983

WASHINGTON
NICARAGUA-CIA
BY ROBERT PARRY

The CIA, surprised by the number of Nicaraguans joining the fight against the leftist Sandinista government, has encountered cost overruns in its not-so-secret support of the counter-revolutionary forces, intelligence sources said Wednesday.

The sources, who spoke on condition they not be identified, said the cost to feed, train and arm the estimated 10,000 Nicaraguans who are now part of the insurgency has driven the budget above the planned \$19 million a year. The sources declined to give the new figure for the operation.

One source said the CIA has new plans to support and expanded rebel force of 12,000 and 15,000 men, about twice the size of the estimated leftist guerrilla force in El Salvador.

The source also said the CIA's explanation for supporting the rebel groups appeared to emphasize putting pressure on the leftist Sandinista government to hold elections and accept more pluralism in Nicaraguan society. The CIA previously had said its purpose was to intercept the flow of arms from Nicaragua to the Salvadoran rebels.

"When you have twice as many people as you expected, it's going to cost more," said one source. "You have to feed and arm the ralliers, and since they are not as well trained, they fire off more ammunition."

Sources said that even though the number of fighters is double the expected total, the cost for the operation has not increased by that magnitude because the newer fighters who have joined the anti-Sandinista cause are not receiving as much training as the earlier insurgents did.

Besides the cost, the newcomers also present other problems, the sources said. The larger numbers enable the Sandinistas to locate the "contra" or counter-revolutionary forces more easily and some of the new recruits are suspected to be Sandinista agents.

"The Sandinistas know where everything is," said one source. "It's easy (for agents) to penetrate a movement like this. It's amazing that (rebel leader Eden) Pastora has stayed alive this long."

Asked about the reported higher costs, CIA spokeswoman Kathryn Riedel said, "we do not comment on allegations of covert activities."

Americans who have visited the Nicaraguan war zone along the Honduran border have brought back conflicting assessments of the popular support for the contras. Despite U.S. backing, the rebels have waged largely a hit-and-run war that has failed to spark a general insurrection.

The sources said that despite the rebel success in attracting fighters, the contras are still too weak to topple the 4-year-old Sandinista government, backed by a 25,000-man regular army and a 50,000-man militia force.

Much of the congressional debate about the covert action has focused on whether it is violating a 1982 law barring the CIA from supporting the rebels "for the purpose" of overthrowing the Sandinista government.

ASSOCIATED PRESS
13 July 1983

WASHINGTON
CONGRESS-NICARAGUA
BY SUSANNE M. SCHAFER

Central Intelligence Agency chief William Casey and Deputy Secretary of State Kenneth Dam visited Capitol Hill on Wednesday to try "to resolve ... differences" over Nicaragua and made some progress, according to Rep. Dante Fascell, D-Fla.

The meeting was arranged by Majority Leader Jim Wright, D-Texas, and Republican Leader Robert Michel of Illinois in an attempt to get Democrats and the administration to "see eye-to-eye" on the Nicaraguan question, Wright said.

"We discussed Nicaragua. In general, we are trying to resolve our differences," Fascell said as the men left a closed-door meeting in the Capitol.

Fascell told reporters last week that Congress had been working with the administration on a compromise for continuing U.S. covert financing for rebels in Nicaragua.

He refused to say Wednesday whether any definite compromise had been reached, saying only that "progress was made."

Last month, the House Foreign Affairs Committee voted to scrap U.S. undercover operations in Nicaragua and set up an \$80 million fund for democratic countries in the area to use in stopping arms traffic.

The bill was approved and sent to the full House, where it is awaiting consideration. But even if it passes, it is given little chance in the Republican-controlled Senate.

Fascell, the second-ranking Democrat on the committee, broke with his party colleagues last month to oppose a cutoff.

Democrats in the House have charged that the Reagan administration is assisting efforts to overthrow the leftist Sandinista government of Nicaragua, in violation of the congressional ban on the use of intelligence funds for that purpose.

But the administration has contended that its objective is to cut off arms shipments to the guerrillas battling the U.S.-supported government of El Salvador.

Also attending the session were House Majority Leader James C. Wright of Texas and Reps. Michael Barnes, D-Md., Bill Alexander, D-Ark., and Henry Hyde, R-Ill.

10 July 1983

WHOLE APPEARED
A20

Dellums Files Suit Seeking Probe Of U.S. Training for Latin Rebels

SAN FRANCISCO, July 9 (AP)—Rep. Ronald V. Dellums (D-Calif.) has filed suit seeking appointment of a special prosecutor to investigate allegations that the Reagan administration is illegally financing training for Nicaraguan rebels, his aides said yesterday.

The suit, filed Friday in federal court here, accuses President Reagan and three Cabinet members of violating the Neutrality Act by training

Nicaraguan rebels in six states, including California.

A White House spokesman, Mark Weinberg, had no comment on the suit.

Marc Van Der Hout, the attorney who filed the suit on behalf of Dellums, said Reagan, U.S. Attorney General William French Smith, Defense Secretary Caspar Weinberger and CIA Director William Casey were named as defendants.

Shultz huddles with Ron

Washington (UPI)—Secretary of State Shultz briefed President Reagan yesterday on his failure to nudge Syria and Israel toward mutual withdrawal of their troops from Lebanon.

Shultz, who returned to Washington at 3:30 a.m. yesterday after a whirlwind visit to the Mideast, did not speak with reporters on his way into or out of the White House.

On his departure from Cairo, he said, "I wish I could report that somehow we see a movement in the direction of simultaneous withdrawal. But I can't give any such report."

At the Oval Office meeting with Shultz were Defense Secretary Caspar Weinberger, national security adviser William Clark, presidential counselor Edwin Meese, Deputy Secretary of State Kenneth Dam and CIA Director William Casey.

Reagan also met with the presi-

dential MX missile commission headed by retired Gen. Brent Scowcroft.

In that meeting, Reagan discussed plans for building and deploying the 10-warhead MX missile. He also reviewed plans for developing the smaller "midgetman" missile recommended by the commission, said presidential spokesman Larry Speakes.

The President left for a weekend trip to Camp David in the late afternoon.

SAN FRANCISCO

FILES SUIT FOR SPECIAL PROSECUTOR TO INVESTIGATE NICARAGUAN
AID

Rep. Ronald V. Dellums has filed suit seeking appointment of a special prosecutor to investigate allegations that the Reagan administration is illegally financing training for Nicaraguan rebels, his aides said Saturday.

The suit, filed Friday in federal court here, accuses President Reagan and three Cabinet members of violating the Neutrality Act by training Nicaraguan rebels in six states, including California.

At a news conference Saturday, Dellums' aide Lee Halterman said the suit's purpose is to "demand that our president obey the law."

White House spokesman Mark Weinberg, asked about the lawsuit, said late Saturday, "I have nothing on it for you."

Marc Van Der Hout, the attorney who filed the suit on behalf of Dellums, said Reagan, U.S. Attorney General William French Smith, Defense Secretary Caspar Weinberger and CIA Director William Casey were named as defendants.

According to Van Der Hout, somewhere between several hundred and several thousand rebels trained in private camps in the United States had returned to Nicaragua to fight the leftist Sandinista government. One of the bases is in San Bernardino County, he alleged.

The lawsuit charges that alleged training violated not only the 200-year-old Neutrality Act but also last year's Boland amendment, which prohibits the use of U.S. funds for military intervention in Nicaragua.

Dellums, a California Democrat, tried unsuccessfully to persuade the U.S. attorney general to appoint a special prosecutor in the matter.

REAGAN IS CALLED ADAMANT ON SYRIA

He Bars 'Reverse Gear' in Spite of Shultz's Report He Made No Progress in Mideast

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, July 8 — President Reagan was reported to have said today that although Secretary of State George P. Shultz did not make any headway on the withdrawal of foreign troops from Lebanon when he visited the Middle East, "there would be no reverse gear" by the Administration in pressing Syria to pull out its forces when Israel does.

A White House official said Mr. Reagan stressed very strongly "his renewed commitment to move forward" after hearing a report from Mr. Shultz on his round-the-world trip, which ended early today after four days of inconclusive talks in the Middle East.

In a related development, what was described as the secret version of a months-old General Accounting Office report discussing the likelihood of another Arab-Israeli war was released by a private group that is highly critical of Israel. The material, made public by the American-Arab Anti-Discrimination Committee, described differing views by Israeli and American intelligence authorities. The report, which does not address the current crisis with Syria over Lebanon, said, "Israeli officials believe that another war with the Arab countries is likely." It said Israelis believed American military sales to Arab states "can contribute to threatening Israeli security."

The Central Intelligence Agency, however, "estimated that another combined Arab-Israeli war is unlikely in the near future," the report said. The report was completed three months ago, before Syria refused to go along with the American-sponsored plan for the withdrawal of all foreign troops from Lebanon. Israel and Lebanon agreed on terms for an Israeli withdrawal that is conditional on Syria and the Palestine Liberation Organization also pulling out.

Mr. Shultz, in a meeting with President Hafez al-Assad of Syria on Wednesday, was unable to persuade him to withdraw his forces. The White House official said that after reporting to Mr. Reagan on his trip, Mr. Shultz said American policy would be reviewed to see "what new alternatives, options and ideas that there might be for working out a resolution of the withdrawal question."

The chief concern of those at the meeting, the White House official said, was that the Lebanese Government not be disheartened by the lack of agreement on withdrawal.

"They discussed their particular consciousness and concern about the difficulties facing Lebanon, and the President asked that a strong reaffirmation be made to President Amin Gemayel of our determination to follow through on our commitment to help restore Lebanese sovereignty," the official said.

"The President stressed very strongly his renewed commitment to move forward promptly on both Lebanon and the broader process," the White House official said. "He again emphasized that as far as he was concerned, there would be no reverse gear."

The G.A.O., the Congressional watchdog agency, last month made public a version of its report on aid to Israel, and in many places information had been deleted. The American-Arab Anti-Discrimination Committee said the document it made public today was the "uncensored version."

The group said it was making the report public because it shows "how the United States has abdicated its responsibilities to American taxpayers and allowed Israel to order whatever mix of economic and military assistance programs it chooses at the expense of America's unemployed, poor and elderly."

An Administration official who was read parts of the American-Arab group's version said it sounded authentic.

In one of the sections that was not in the G.A.O.'s public version, the report said State Department officials had said reductions in American military aid to Israel "could trigger a crisis in political relations between Israel and the United States."

CONTINUED

TRB

FROM WASHINGTON

SCANDALMANIA

What happened in Washington last week was the journalistic equivalent of yelling fire in a crowded theater. First came the sleazy maunderings of a sanctimonious Hollywood lawyer calling on President Reagan to spare the American people an onslaught of agony and trauma by taking possession of pornographic videotapes of members of his Administration. What a shame that the thanks of a grateful nation couldn't get equal time on the evening news or "Nightline," where this character was permitted to blather on unchallenged about his tapes. Before you could say Larry Flynt, of course, the tapes had disappeared amid the sweat socks in the lawyer's racquetball bag. (Aren't they supposed to be tennis addicts out there?)

By then the feeding frenzy had begun. Yet another meaningless event had occurred that had to be connected to the other disparate meaningless events of the last few weeks. Anyone could play, and everyone did. A friend who works on Wall Street told me that at his exercise salon he overheard a couple of prosperous-looking financial executives seriously discussing the possibility that the C.I.A. had bumped off Vicki Morgan, mistress and onetime Marquis de Sade therapist to a Presidential confidant.

The White House press corps, that much maligned beast, had no choice but to pursue the leads without fear or favor. This meant, for example, that serious people were obliged to pick up the telephone and ask their sources if they had heard the reports that a certain cabinet member had been featured

on one of the tapes. Nothing was proved, and nothing got into print. It was nonetheless clear that everybody had once again underestimated the ability of a story to take on a life of its own.

At any given time in the nation's capital, reporters know and certainly suspect more than they use in print or on the air. A lot of news organizations knew in 1980, for example, that there were American hostages hiding in the Canadian Embassy in Tehran. To spare their lives, the press didn't go with that story. And now, reporters who cover Congress say that it was common knowledge on Capitol Hill that Representative Gerry E. Studds of Massachusetts was gay. Last week Mr. Studds came out of the closet and raised the perfectly legitimate question of whether his sexual orientation was anyone's business.

So there is precedent for self-restraint, and one wonders why it all went out the window during this week's bout with Sillygate. The worst thing that happened was that the real questions at the center of the episode of President Carter's briefing papers were obscured.

Two separate questions seem pertinent. The first relates to the ethics of using the "pilfered" material that found its way into the hands of the Reagan campaign. Since James A. Baker III, David R. Gergen, Francis S.M. Hodsoll, and David A. Stockman all admit to having used or condoned the use of the material, it's a question these talented and ambitious leaders of the Administration's so-called "moderate" wing will have to live with for the rest of their lives. Any student of ethics will say that it ought to make little difference whether the material they used was valuable.

But let's also remember that if the recollection of these Reaganites is accurate, their response to the stolen Carter documents was much the same as the collective "ho hum" initially put forward by every news organization in the country when the story broke last month. Only with the passage of time did it become clear that something might be amiss here. Fairness demands that even Republicans are entitled to behave like human beings.

The second "Debategate" question relates to the debate material's provenance. Was this caper part of a large, systematic scheme to infiltrate the Carter White House? Were there disgruntled people on the inside trying to un-

dermine a sitting President? Or was this a case of one or more misguided hold-over office workers passing some stuff on to friends on the outside who used it to try to impress their superiors in the Reagan campaign? Here, let's face it, we have nothing to go on except inference piled upon inference.

President Reagan has only himself to blame for the innuendo surrounding those inferences. No one forced him to politicize the Central Intelligence Agency by installing his campaign manager there and then letting him run amok and become a magnet for every suspicion that could possibly be developed out of this mess. If they think on Wall Street that Vicki Morgan was terminated with extreme prejudice, it's probably because William J. Casey is a known commodity down there.

As for the press, what has given this story legs is not the compulsion to "get" anybody, but the desire to solve a genuine mystery. It's been an entertaining mystery, and if we're lucky it'll get solved eventually. But don't count on it. We may never know how the Carter briefing material found its way onto Mr. Stockman's kitchen table. We never did find out who ordered the Watergate break-in and why, and there were a hell of a lot more investigators chasing after that story than there are chasing after this one.

One final difference between this scandal and previous ones is that you don't hear the phrase, "What did the President know and when did he know it?" That the question is hardly even being asked is testimony to Mr. Reagan's infuriating resilience. This is a man who forgot the name of the country he was in last December, who seems unsure of the names of his own staff members, and who—as the White House press corps looked on in 1981—even forgot the name of his own dog.

Still, his ability to slither out of this scandal may not last forever. Picture this scenario. It's a year from now and Mr. Reagan, running for reelection, comes under public pressure to debate his Democratic opponent. Under no circumstances can one imagine it to be in his political interest to do so; yet the political costs of chickening out may be prohibitively high. We may never know how "Debategate" occurred, but it will certainly be a factor in forcing Mr. Reagan to rectify the original caper and debate. Then it will be up to the Democrats to get revenge fair and square.

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NEW YORK TIMES
7 July 1983

House Compromise Sought on Nicaragua

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, July 6 — The Reagan Administration is negotiating with Republicans and Democrats in Congress to devise a compromise that would avoid a vote in the House of Representatives to end covert aid to Nicaraguan rebels, high Administration officials said today.

Participants in the negotiations said top Administration officials met four times last week with nine key members of Congress to draft an alternative resolution that would make a cutoff of covert aid to the rebels contingent on the Nicaraguan Government's certifying that it had stopped channeling military aid to leftist guerrillas in El Salvador.

Administration officials said no agreement had yet been reached on a specific proposal. But they said they were hoping that a resolution on what they call a symmetrical cutoff could eventually win the backing of the House majority leader, Jim Wright of Texas, and the House Republican leader, Robert H. Michel of Illinois, as well as members of the House Intelligence and Foreign Affairs committees.

The House has scheduled a debate for mid-July on a proposal to halt the Administration's covert aid to rebel forces in Nicaragua on Sept. 30. Under the proposal, \$80 million in covert action funds planned through fiscal 1984 would be converted into overt aid to other Central American countries to help them stem the flow of arms to Salvadoran guerrillas through their territories.

'Something Reasonable' Urged

"We'd like to find some agreement short of an all-out cutoff of aid," Mr. Michel said in a telephone interview. "The folks on the Democratic side are telling the Administration to come up with something reasonable and 'we'll buy onto it.' I would hope we could put something together next week."

Representative Dante B. Fascell of Florida, one of the Democrats involved in meetings with top Administration officials, said that he felt "we were making a reasonable amount of movement before the July 4 recess" but that he knew of no agreement on the plan for an aid cutoff conditional on Nicaragua's actions.

"We were certainly taking a very hard look at that particular concept," he said by phone from Florida. "I think the idea has merit but I don't know how far we can get with it."

Momentum has developed for a complete ban on covert aid to Nicaraguan rebels. Already the House Intelligence Committee, led by its chairman, Edward P. Boland of Massachusetts, and the Foreign Affairs Committee, led by its chairman, Clement J. Zablocki of Wisconsin, have voted for a halt to covert aid to rebel forces in Nicaragua on Sept. 30. In addition, Mr. Wright has said he totally opposes American backing for any operations inside Nicaragua.

Senate Resistance Noted

The Administration has been trying to persuade House Democrats to compromise and accept a conditional aid cutoff, arguing that the Senate would not go along with an absolute ban even if the House approves the Boland-Zablocki proposal.

Some House Democrats contend that requiring the Nicaraguan Government to certify an end of military aid to Salvadoran rebels would allow the Reagan Administration to continue aid to Nicaraguan rebels indefinitely. In the past, Nicaraguan officials have denied that their Government has allowed, let alone assisted, military aid to Salvadoran guerrillas.

Participating in the negotiations for the Administration were James A. Baker 3d, the White House chief of staff; Kenneth Dam, Deputy Secretary of State; William J. Casey, Director of Central Intelligence, and William A. MacFarlane, the deputy national security adviser to President Reagan.

The principal members of Congress involved, participants said, were Mr. Michel, C. W. Bill Young of Florida, William S. Broomfield of Michigan, and J. Kenneth Robinson of Virginia, all Republicans; and Mr. Wright, Mr. Fascell, Daniel A. Mica and Andy Ireland of Florida, and Dave McCurdy of Oklahoma, all Democrats.

Data-Gathering Efforts Described As Part of Campaign for Reagan

BY LESLIE H. GELB
Special to The New York Times

WASHINGTON, July 6 — An operation to collect inside information on Carter Administration foreign policy was run within Ronald Reagan's campaign headquarters in the 1980 Presidential campaign, according to present and former Reagan Administration officials.

These sources said they did not know exactly what information the operation produced or whether it was anything beyond the usual grab bag of rumors and published news reports. But they said it involved a number of retired Central Intelligence Agency officials and was highly secretive.

The sources identified Stefan A. Halper, a campaign aide involved in providing 24-hour news updates and policy ideas to the traveling Reagan party, as the person in charge. Mr. Halper was out of town today and could not be reached. But Ray S. Cline, his father-in-law, a former senior Central Intelligence official, rejected it all as a "romantic fallacy."

Investigations Under Way

The disclosure was the latest development in a furor over revelations that Reagan campaign officials came into possession of Carter debate strategy papers before a debate between the two candidates. The matter is now being investigated by the Federal Bureau of Investigation and a Congressional committee.

Mr. Halper nominally worked for Robert Garrick, the director of campaign operations, who said in a telephone interview recently that Mr.

Halper was "supposed to help with communications, but I kind of thought he had another agenda going — he was always on the phone with the door closed, and he never called me in and discussed it with me."

Responding to inquiries about the gathering of information in the campaign, a high Reagan Administration official said there was a memorandum from a junior campaign official to several senior Reagan campaign aides citing the need for information from within the Carter Administration on foreign policy decisions. The official said

Mr. Halper was not the junior official. CBS News reported tonight that Edwin Meese 3d, a top Reagan campaign aide, now the President's counselor, denied seeing a campaign memorandum from a volunteer, identified as Dan Jones, suggesting that there was a secret agent inside the Carter Administration. CBS News reported that the memorandum had been addressed to James A. Baker 3d and William J. Casey, prominent officials in the Reagan election effort.

Speaking of Mr. Halper, David Prosser, a Reagan campaign aide, now with Superior Oil Co., said, "He provided us with wire stories and Carter speeches, but people talked about his having a network that was keeping track of things inside the Government, mostly in relation to the October surprise."

The Reagan campaign team used the term "October surprise" to refer to the possibility that President Carter might take some dramatic action with regard to the hostage situation in Iran or some other action to try to turn the tide of the election.

Mr. Casey, now the Director of Central Intelligence, who was Mr. Reagan's campaign director, said in an interview Tuesday that this was of special concern to Reagan strategists. He said Mr. Garrick had spoken of using retired military officers to watch military airfields for the dispatching of hospital aircraft for the hostages.

A source from the Reagan campaign who asked not to be named said, "There was some C.I.A. stuff coming from Halper, and some agency guys were hired." He added that he was never aware that this information was particularly useful and that he and others had their own sources within the Administration who provided unsolicited information.

Receipt of Security Papers

The same source said Richard V. Allen, Mr. Reagan's chief campaign foreign policy adviser and his first national security adviser, received classified National Security Council documents from a Carter Administration official. Mr. Allen has previously acknowledged that he received material which he described as "innocuous" and dealing with morale on the N.S.C. staff.

According to the sources, Mr. Halper worked closely with David R. Gergen on the staff of George Bush when Mr. Bush, was seeking the Republican Presidential nomination. The sources said that Mr. Gergen, Director of White House Communications, and Mr. Baker, another top Bush campaign aide and now an assistant to Mr. Reagan, brought Mr. Halper onto the Reagan campaign staff after the Republican convention.

Mr. Bush was director of Central Intelligence under President Ford and former Bush aides said today that many former C.I.A. officials offered their help in the Bush campaign effort. The former aides said that Mr. Bush himself was against anything that might smack of "C.I.A. support."

No Response From Gergen

Mr. Gergen declined to return several telephone calls. Instead, he telephoned Mr. Cline, Mr. Halper's father-in-law, and Mr. Cline contacted The New York Times.

Later, a source close to Mr. Gergen telephoned to say that Mr. Gergen was "unaware of any organized intelligence operation of the kind described, but that he was aware that Mr. Halper was working on issues and the development of information for the campaign."

The source added, "There was definitely no reporting relationship to either Gergen or Baker during the campaign effort."

Mr. Cline said Mr. Halper was on a "special staff to analyze campaign issues, just as he did in the Bush campaign, and that he was responsible for looking for booby traps and studying what Carter people were saying to look for vulnerabilities."

He added: "I think this is all a romantic fallacy about an old C.I.A. network. I believe I have been close enough to the intelligence community for the last 40 years that I would have discovered it. Such an effort would not have been worthwhile and I believe it was not executed. That does not mean that some individual or individuals didn't do something, but there was not a deliberate effort to penetrate" the Government.

Mr. Halper's personal secretary, who now works at the White House, was reached at her home through the White House switchboard, and when asked about an information gathering network run by Mr. Halper in the campaign, she hung up. White House operators then said she was "unavailable."

None of the sources said they knew of any relationship between Mr. Halper

5 July 1983

STAT

CIA CHIEF'S SECRET TRIP TO LATIN WAR ZONE

By NILES LATHEN, *Bureau Chief*

WASHINGTON — CIA Director William Casey made a secret trip to war-torn Central America last week to investigate the expanding war between Nicaragua and the CIA-backed rebels, The Post has learned.

The schedule and purpose of the unusual trip by the 70-year-old director, who once ran a network of agents behind Nazi lines for the OSS during World War II, remained top secret.

But high-level U.S. officials told The Post over the weekend that among

Casey's stops was Honduras, where he toured the "war zone," near secret bases on the Nicaraguan border — set up by the CIA as a staging ground for guerrilla operations against the Sandinista regime.

Sources also told The Post that Casey is expected to report to President Reagan and National Security Advisor William Clark sometime later this week on a list of requests from the rebel leaders for more U.S. military aid.

The rebels are seeking heavier weapons, small aircraft and ways to improve supply lines — a move which would allow them to set up operations way inside Nicaragua and move closer to their goal of overthrowing the Sandinistas.

The requests are already under consideration at the highest levels of the Reagan administration and the Honduran government, sources said.

Publicly the Administration will admit only that the operation against Nicaragua is to interdict supplies to left-



WILLIAM CASEY
First-hand look.

ist rebels in El Salvador. But one senior U.S. official commenting on Casey's trip told The Post:

"The conflict in Nicaragua is clearly approaching a second phase and some hard decisions have to be made at the highest levels very soon."

It is no coincidence that Casey's trip comes as the Soviet Union and Cuba are dramatically expanding military aid to the Sandinistas.

U.S. intelligence has picked up evidence of a massive airlift of equipment to Nicaragua designed specifically to fight the CIA-backed guerrillas.

Sources said that 50 Polish-built helicopters, 350 trucks, 25 Soviet-built BRDM2 armored vehicles, 20 BTR armored personnel carriers equipped with rocket launchers, anti-tank guns, and a dozen tanks have been delivered to Nicaragua in the last 30 days.

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Chairman, House Human Resources Subcommittee

CORRESPONDENTS: Daniel Schorr, Cable News Network
Marianne Means, Hearst Newspapers
Jack Nelson, Los Angeles Times

PRODUCER: Elissa Free

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SEGMENT I

MR. SCHORR: Welcome and welcome to our NEWSMAKER guest, Representative Donald Albosta, Democrat of Michigan, who now heads a subcommittee that you wouldn't have imagined doing so, but is now engaged in a very important investigation. Let's see if I say it right: Chairman of the Human Resources Subcommittee of the House Committee on Post Office and Civil Service.

REP. ALBOSTA: That's correct, yes.

MR. SCHORR: Welcome, sir. Here to interview you are Jack Nelson, of the Los Angeles Times, Marianne Means, Hearst syndicated columnist. I'm Daniel Schorr, of the Cable News Network.

Congressman, let me first say that we invited, in order to get some balance, first of all any representative of the White House to be on this program -- the White House declined. We also invited both minority members of your Subcommittee, Representatives Crane and Gilman and they declined. And therefore, you are here alone to respond to our questions.

The first one is this. David Stockman, a former Representative from your state, appears to be now on record as having said in October of 1980, boasted about the fact that he used, quote, "pilfered," unquote, papers from the Carter campaign to help brief Governor Reagan for the debate with President Carter. Does that make David Stockman an obvious witness before you?

REP. ALBOSTA: Well, obviously, he has stated sometime in his memories that he did have knowledge that those documents didn't just walk over to the campaign office of the -- the then-Governor Reagan. I can't say, Dan, for sure whether or not we would be bringing David Stockman before our Subcommittee through any kind of hearing at this time.

MR. SCHORR: I'm not talking about hearings. I'm talking about getting -- interviewing him and getting information from him, or calling him in executive session to start off with.

REP. ALBOSTA: Oh, there's nothing ruled out. Simply, it would seem that that would be the direction that we would be heading in now.

MR. NELSON: I was going to say, were you a little bit surprised at the way President Reagan handled this whole situation of the Carter briefing book? I mean he tended to, you know, laugh it off or joke about it and say it was much ado about nothing.

REP. ALBOSTA: Well, I suppose that would be a natural tendency for the President to do that. And anyone that's got all the obligations that a President has does not want something that would tend to be a scandal going on in his Administration. And if he could just easily push it aside and sort of have it forgotten about, as it obviously was once. This was mentioned sometime ago. Dave Stockman mentioned even in the press the day of the debates and it didn't get out, it just didn't get circulated. The reason that I'm into this now, Jack, is because I have the responsibilities of the oversight and review of the activities and conduct of federal employees.

If I'm going to do my job, I have to find this out. And I think the President understands that now and I hope that he will cooperate. He said he will cooperate. Baker has said that he will cooperate. So we could, you know, get our investigative function over with in a hurry if we would simply get some good answers from the White House and let the chips fall where they may.

MS. MEANS: Well, Speaker O'Neill said that he thought that whether or not the Reagan people had had the briefing book or not wouldn't have made any difference to the outcome of the debate or the outcome of the election anyway. So isn't this all a lot of to-do about nothing?

REP. ALBOSTA: Approved For Release 2005/11/28 : CIA-RDP94-00961R000400070003-7

what the outcome of the debate might have been because somebody had somebody else's material. The point is it wouldn't have made any difference in my opinion in the work that we're doing whether somebody stole some typewriter out of the White House or something else. The point is that they can remove things from the White House. And if you have people there, and we don't have the standards and a code of ethics that people in the country can believe in, and if they believe we have nothing but a bunch of bandits down here in Washington, and everybody is walking off with something, and maybe even other nations are able to do that, they lose confidence in their government.

We can't be the leading shining star of nations around the world unless we have more than 50 percent of the people voting in this nation. How can we go to Central America and say that our system is the best in the world unless we've got the confidence of our own people and they turn out to vote.

MR. NELSON: Congressman, some of the former Carter Administration officials say that -- that the papers that were released by the White House to the Justice Department, and I suppose to your Committee, indicated a constant flow of papers. And I know one of them was quoted as saying it may have come from three different offices in the White House. Would that mean that your investigation is broader than just whether or not the debate materials were taken?

REP. ALBOSTA: Well, my investigation will try to find out who in the Carter Administration and at what level of employ might have been engaging in those activities. We're not after the criminal prosecution of that person; we're after changes in the law. And the only way we can know is to have all the facts. Ours is a fact-finding mission. It is not probing to try to find out if somebody is guilty. We're not going to -- If we stumble across those people that might be guilty and if we think there's information that would be valuable to the Justice Department, we will turn it over to the Justice Department. I don't care go any further with that. My hope is that this whole issue will not get

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of -- out of the context that I have it in and the responsibilities that I feel are mine with the Subcommittee chairmanship.

MS. MEANS: Well, how important do you think it is whether this material was solicited or whether it sort of came in over the transom? In other words, the responsibility of the --

REP. ALBOSTA: Well, it's very -- No. That's very important if somebody did solicit this material, simply because that is a clear violation of Federal Election Commission's laws. And you can't promise anyone that you'll give them a job after an election for some favor that they might do for you. That is against the law. That's part of our whole process, as I see it, of trying to bring confidence in the American system, and its elected officials and its appointed officials up, so that so that the American people will get out to vote.

MR. SCHORR: We're going to have to pause here. We'll be back in a couple of minutes.

SEGMENT II

MR. SCHORR: We are back with our discussion with Congressman Albosta of the coming investigation of the missing, purloined briefing papers. Congressman, you said earlier that probably you have to talk to David Stockman, who boasted of using pilfered papers. One of the most interesting contradictions that has yet come up in letters to you and to your Subcommittee, James Baker, White House Chief of Staff, says he clearly recalls getting that material from William Casey, who is now the CIA Director. Casey says he remembers nothing about it. Will you have to resolve that contradiction?

REP. ALBOSTA: Well, I think we will. Certainly, there's something there in Mr. Casey's memory that seems to have gone blank. He could remember details during the hearings that he had with the Senate on many items of -- of years back. I would think that Mr. Casey probably would be a very interesting witness before our Committee.

MR. SCHORR:

Now how do you proceed to do that? This is a matter of
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process. Normally, an investigation of this sort, and

we've been through a lot of investigations in this town,

you invite him to appear in executive session with you, and staff, or what ever. If he's willing to come, fine. If not, subpoena and that he then is in executive session under oath. Is that the way you're going to do it?

REP. ALBOSTA:

That's a possibility and we certainly don't rule out just having an interview with Mr. Casey, and certainly the people that are around Mr. Casey, or that have been around Mr. Casey, will be interviewed by investigative staff.

MS. MEANS:

With the exception of Casey, are you satisfied with the level of cooperation you're getting from the White House, from the people like Baker, and Gergen, and do --

REP. ALBOSTA:

Oh, I think so. I think that they responded to my letter and certainly Gergen had responded again with an apology saying that he didn't give me all the material and that

there was sensitive material that pertained to national defense within those documents, and that I should know about it. I think he's to be commended. I think the President is to be commended for the position that he's taken that we should get to the bottom of it, that let's get this thing over with, and -- even though he agreed with Tip O'Neill in a humorous way I think he really would like to get this thing over with.

MS. MEANS:

Do you trust the Justice Department to handle this? Do you think a special prosecutor, an independent investigator might be necessary.

REP. ALBOSTA:

Well, it might be if there's any -- any criminal activity that's shown. First we have to know how the books got on the papers got out of the White House. If we don't find

that out, obviously they didn't walk over there. But if you haven't got someone to say that's the person that -- that removed them, if you haven't got someone to say that, then you don't have a reason for criminal investigation, or at least prosecution.

MR. NELSON:

Let me take you back to the question of a broader investigation. If it's true that if in the investigation you

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found there was a constant flow of information out of the

White House or out of the Carter campaign -- well, particularly out of the White House -- would you follow that wherever it goes into various other offices, as many people as might have been involved, or --

REP. ALBOSTA:

Well, we will follow it wherever we have to, Jack, in order to try to find out what we would have to do to change the law. Maybe we have a real lack of communication

with Civil Service employees as to what the responsibilities are. I think that the Office of Government Ethics ought to have a training session for people that work in such sensitive places as the White House. We know now that they do not. They are Civil Service employees, but they don't go through any type of training system.

We have a Code of Ethics in almost every police department in the country and they're trained -- there are sessions that they have to sit down and go through these different standards of conduct.

MR. NELSON:

Well, let me ask you very quickly, on this kind of investigation though, will you be looking at people who are still in the Reagan White House who were in the Carter White House before as possible witnesses in this case?

REP. ALBOSTA:

Oh, I think so.

MR. SCHORR:

Let me broaden that question. Congressman, we've heard from Democratic sources there's a list that those who were in the Carter White House, every one of them have a favorite suspect. I'm sure the names of those suspects -- and I would not ask you to go into names right now -- that that list of suspects is also available to you. Are you going to call all the persons who were involved in the Democrat and the Carter side preparing this, and who have been suggested as possibility of people who could have, people who might have? Are they going to come one after another? Are you going to question them?

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REP. ALBOSTA: Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070003-7
 those people. I don't know whether or not we will have them in executive session or whether we would have to subpoena them at this time. I don't know what the case might be. But certainly we have --

MR. SCHORR: Have you talked to some of them? You've talked to some of them already, haven't you?

REP. ALBOSTA: Well, not to this point, we haven't.

MR. SCHORR: Staff?

REP. ALBOSTA: My staff may have contacted those people. They certainly know who they are.

MR. SCHORR: I can tell you I contacted one or two and I know that they've been contacted by your staff.

MR. NELSON: With the House Speaker actually opposing your investigation -- He said he didn't -- He didn't think it should be held. Is that going to handicap you in anyway?

REP. ALBOSTA: No. I don't think the Speaker really was interpreted properly there.

MR. NELSON: Well, the rhetoric --

REP. ALBOSTA: Well, wait a minute, Jack. I talked to the Speaker right after -- I had a meeting right after he had that news conference. The Speaker has a right to his own opinion and

he stated that very clearly. He thinks that the economy, and unemployment, and all the other things in the country that are problems should be the focus of attention of the people of this nation, and that investigations like this would be better handled by the Democratic National Committee or something else. And he put all of -- this investigation into a focus of politics. Well, he didn't understand at the time that we were in the process of re-enacting the Office of Government Ethics and that this Subcommittee is going ahead with other investigations. We have --

MR. NELSON: Did he give it his blessings?

REP. ALBOSTA: Yes.

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REP. ALBOSTA: Yes.

MR. NELSON: Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070003-7
 he gave this investigation his blessing.

REP. ALBOSTA: He says that I am totally within the authority of this Subcommittee and that he says I don't have any objections to you going ahead with this. That's what he said.

MR. SCHORR: I'm going to have to ask you to pause once again. We'll be back in a couple of minutes.

SEGMENT III

MR. SCHORR: Resuming our conversation with Congressman Donald Albosta the head of the Subcommittee which is going to be investigating the pilfered Carter briefing papers. And for those who may have tuned-in late, let me re-introduce our panel here: Jack Nelson of the Los Angeles Times, and Marianne Means, Hearst syndicated columnist, and I'm Daniel Schorr, of the Cable News Network.

Congressman, it sounds as though, based on what you've said so far, that because the jurisdiction of your committee is primarily a Civil Service jurisdiction, that your first priority is to look for civil servants who may have done unethical things. But since a lot of other things happened, which may not have been performed by Civil Service -- In fact, none of the people on the Reagan side of this were civil servants then yet, they were not in government at all. If your investigation then is only a partial investigation, if you're only looking at one corner of this, will you hope that somebody else will pick-up some of the larger dimensions of this, a Senate or House committee with other jurisdictions?

REP. ALBOSTA: To be honest with you, Dan, I don't think that we should have as many committees looking into this as we had during the problems with EPA. That, I think, goes too far. There is (sic) other committees, I believe, particularly the Judiciary Committee that could possibly look into any kind of criminal violations. I would have no control over them and they may choose, somewhere along the line, to get themselves involved in this.

I would welcome anyone that would want to look into any criminal activities, simply because it isn't within my jurisdiction to do

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would respect that subcommittee, if it carried on a good investigation. Not a witchhunt, but just simply time to have a fact-finding mission so that they could establish once and for all if somebody was there that was not doing the right thing.

MR. SCHORR: Let me take you back to the Watergate investigation. The first Watergate investigation was started by a Judiciary Subcommittee in the Senate, headed by Senator Kennedy. It was unclear that the dimensions of this were such it could not be handled that way and eventually you got a Select Committee that was chaired by Senator Ervin. There was a Church Committee, a Select Committee that investigated the CIA and FBI.

If the issue is big enough, it seems to require some larger committee assembled for that purpose. Would you think that at the end of your investigation that could then happen?

REP. ALBOSTA: That that would bring an end to my --

MR. SCHORR: A Select -- Well, that you would merge yourself into some larger investigation by some larger group assembled for that purpose?

REP. ALBOSTA: I think, honestly, there would have to be more to this than what has surfaced so far.

MS. MEANS: The President tried to suggest that this was all just politics at his press conference the other night. Aren't you vulnerable to that charge? You're a Democrat. I notice the Republican Senate isn't rushing forth to investigate this.

REP. ALBOSTA: Well, a lot of things have happened just in a very, very short time. When I got into this thing, I was -- My intention was to -- to try to find out more information about what we might have to do, simply because there were questions raised about certain appointees of the President during the time that we were reviewing the Ethics in Government Act. I felt, extended into this.

Will that damage me back in my district? If people want to -- to vote against me because I'm doing my job, I doubt that. I don't think so. I don't think it makes any difference if you're a Republican or Democrat. I think that the people want us to do what we were elected to do and that's to serve in a capacity that we accept. And that responsibility in this Subcommittee chairmanship is definitely upon my shoulders. I honestly would hope that someone else would have some of it and that the Speaker would bless this whole thing, because it is, I think, necessary to once and for all try to get the level of government to where people have confidence in it. And we can get that percentage, I believe, up to 60, 70 or 80 percent. In El Salvador alone, 90 percent of the people that were eligible to vote turned out to vote. What's wrong here? Do you see what the point is?

MR. NELSON: How will your investigation proceed now? I mean you'll come back from Michigan after July 4th, what'll you do? Do you plan to hold hearings, do you know?

REP. ALBOSTA: Interview.

MR. NELSON: Are you going to have subpoenas or do you know about that? Will you be subpoenaing witnesses?

REP. ALBOSTA: We will be interviewing people that should have some knowledge of the activities that were going on during the Carter Administration's campaign.

MR. NELSON: Well, you've already been interviewing, haven't you?

REP. ALBOSTA: No, we haven't been interviewing.

MR. NELSON: You haven't been interviewing witnesses yet?

REP. ALBOSTA: No, we haven't been.

MR. NELSON: Well, now when you start interviewing witnesses, if you have trouble finding them or if you have trouble getting them to really respond, do you intend to put them under subpoena and under oath?

REP. ALBOSTA: We may. We won't rule that out, Jack.

MS. MEANS: You'll be doing all this privately. When will you start doing things publicly?

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REP. ALBOSTA: Well, we have done some things publicly now, obviously.

We sent the letters to the White House and we've asked for information. That may be an ongoing public statement that will be made at the White House, I don't know. Certainly -- Gergen has sent me another letter, saying that I apologize, there was more material there. Certainly, we have sent out letters now to -- to Hodsell and to Kirkpatrick, and I would think that we will get a response within the time limit that we put on those requests.

MR. SCHORR: Congressman, we have less than a minute left. I just want to ask you, do you think this issue will play any role in the 1984 campaign?

REP. ALBOSTA: I would hope that this issue would not play a role in the 1984 campaign politically. What I would like to see it play a role in that election is the standards of our government are coming up. I would hope that the people on both the Republican side and the Democratic side would see us as doing things here that are -- are respectable and that they can have confidence in, and that will bring them out to vote.

MR. SCHORR: All right, Congressman Albosta. Thank you for appearing on NEWSMAKER -- SATURDAY. Enjoy the fireworks over the weekend. Let's see what fireworks you produce after this weekend. I'm Daniel Schorr, for my colleagues, CNN, in Washington.

[End of broadcast.]

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Their Will Be Done

BY MARTIN A. LEE

One day in July 1944, as the Second World War raged throughout Europe, General William "Wild Bill" Donovan was ushered into an ornate chamber in Vatican City for an audience with Pope Pius XII. Donovan bowed his head reverently as the pontiff intoned a ceremonial prayer in Latin and decorated him with the Grand Cross of the Order of Saint Sylvester, the oldest and most prestigious of papal knighthoods. This award has been given to only 100 other men in history, who "by feat of arms, or writings, or outstanding deeds, have spread the Faith, and have safeguarded and championed the Church."

Although a papal citation of this sort rarely, if ever, states why a person is inducted into the "Golden Militia," there can be no doubt that Donovan earned his knighthood by virtue of the services he rendered to the Catholic hierarchy in World War II, during which he served as chief of the Office of Strategic Services (OSS), the wartime predecessor to the Central Intelligence Agency (CIA). In 1941, the year before the OSS was officially constituted, Donovan forged a close alliance with Father Felix Morlion, founder of a European Catholic intelligence service known as Pro Deo. When the Germans overran western Europe, Donovan helped Morlion move his base of operations from Lisbon to New York. From then on, Pro Deo was financed by Donovan, who believed that such an expenditure would result in valuable insight into the secret affairs of the Vatican, then a neutral enclave in the midst of fascist Rome. When the Allies liberated Rome in 1944, Morlion re-established his spy network in the Vatican; from

**LET THE POPE KEEP
 THE KINGDOM &
 THE GLORY - THE CIA
 WANTS THE POWER -**

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ON PAGE 79

LEADERS MAGAZINE
July-September 1983

The Threat

By The Honorable William J. Casey,
Director of Central Intelligence, United States

The United States faces serious threats to its security and national interests throughout the world. These threats include social, economic and political instability as well as outright military aggression. The most serious of these threats, however, are those that stem from activities of the Soviet Union.

I see five major types of threat posed by the Soviet Union. The first three arise primarily from the USSR's growing military capabilities: their strategic forces, their general purpose forces and their growing ability to project power over long distances. In addition, the Soviets have improved their ability to destabilize and gain influence over small countries—a threat which I call creeping imperialism—and they have increased their political and propaganda efforts to divide the Alliance and diminish the position of the United States.

The first of these threats comes from inter-continental ballistic missiles and other carriers of nuclear warheads. The Soviets have been spending three times as much on these strategic forces as we do.

The second threat is that of the Warsaw Pact forces on the European front. The Soviets are deploying in forward areas large numbers of a new tank with improved armor protection, fast, self-propelled artillery and the all-weather Fencer aircraft, which can strike deeply and quickly into NATO's rear areas with a payload larger than the aircraft it replaced.

The third category of threat that concerns us is that of power projection. Since 1975, we have seen the Soviets develop a capability to bring support over long distances to pro-Soviet elements in coordination with their close allies. Soviet transport planes and cargo ships were used to carry sophisticated Soviet weapons thousands of miles to meet up with Cuban troops in Angola and Ethiopia.

The fourth category is creeping imperialism. The Soviets have skillfully constructed an array of associates to use a mix of tactics—political, diplomatic, subversion, terrorism and insurgency—to expand Soviet and pro-Soviet influence and to destabilize and overthrow governments. The Soviets have compiled a remarkable record in this activity.

This creeping imperialism threatens our interests most immediately in Central America and the Caribbean. Cuban support of insurgency

and subversion in Central America could divide our own hemisphere and threaten the rich oil fields of our Mexican neighbors as well as control of the canal passage in Panama. Political turmoil in Central America and a flood of refugees from the south could divert the United States from threats elsewhere in the world.

The fifth threat is in the Soviet political and propaganda initiatives designed to confuse and divide us from our friends. The most dangerous political thrust is the current effort to exploit European fear of nuclear weapons and the political risk which European governments perceive in the deployment of Pershings and cruise missiles in NATO countries. Andropov comes to power finding in his lap an unprecedented opportunity to advance the Soviet objective of dividing the U.S. and Europe and, at the same time, a basketful of economic and financial problems.

We should remember there are forces likely to constrain, limit and work against the accomplishment of Soviet goals. First off, Andropov is faced with declining economic growth. Soviet agriculture has suffered four successive crop failures and there is a growing sense of malaise over the quality of life. Soviet society suffers from declining health; it is the only industrialized nation where the life expectancy for men is actually declining. Corruption and alcohol addiction are rampant. The Soviet government does not seem to know how to deal with these problems, beyond trying to improve discipline through strong-arm tactics.

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And as he and his colleagues look abroad, the correlation of forces is not all going the Soviet way. Soviet forces are bogged down in Afghanistan. Poland is a running sore. Rumania is getting itself into serious economic and political trouble. Cuba, Vietnam and other clients abroad constitute an economic drain. The USSR's various proxies are not wholly puppets, but cooperate with the USSR where this benefits their interests.

There is no guarantee that the USSR now has all its friends nailed down for all time and we know that certain of them are careful to keep ties open to the West. Most Third World leaders are fully aware of Soviet intentions and think—perhaps mistakenly—that they can get what the USSR and its friends can give them



without becoming too closely embraced by the Russian bear. Meanwhile the Soviets continue to hurt their own cause by their violation of Afghanistan and their often ham-handed behavior elsewhere. ●

William J. Casey